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INSTITUTE FOR DEFENSE ANALYSES

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The Institute for Defense Analyses is a nonprofit corporation that operates three Federally Funded Research and Development Centers. Its mission is to answer the most challenging U.S. security and science policy questions with objective analysis, leveraging extraordinary scientific, technical, and analytic expertise.

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Executive Summary

On June 12, 2020, the Deputy Assistant Secretary of Defense for Civilian Personnel Policy (CPP) asked the Institute for Defense Analyses (IDA) to assess the feasibility and desirability of expanding the use of cohort hiring or hiring "talent pools" instead of conducting civilian hiring on a position-by-position basis across the Department of Defense (DOD). IDA conducted this review in conjunction with a second assessment that looked at DOD outreach, recruiting, and hiring programs more broadly.

While military recruits are brought into the force as part of a cohort that will be grown and molded to recognize a common mission and work together toward common objectives, most civilian employees are hired as individuals to fill specific positions, which leaves them to build their own careers. The systematic use of succession planning, training and education, rotational assignments, and career-building opportunities for new hires would appear to have significant advantages in building expertise, commitment to mission and organization, and force cohesiveness.

Recent studies link concerted training programs for new employees like the programs included in cohort-hiring programs to increases in employee engagement, which is, in turn, linked to increases in retention and performance. Other studies have shown that rotating new hires through a series of positions before making a final placement may lead to a better match between employee and position, which can increase retention and productivity. Not surprisingly, IDA determined that cohort-hiring programs are a best practice in the private sector and identified numerous examples of employers who offer cohort-hiring programs that include a combination of training, mentorship, and rotational job experiences for new employees.

To assess the potential effectiveness of cohort-hiring programs in the DOD, IDA identified six DOD organizations that are already carrying out such programs. These programs share several common features:

- Consolidation of requirements to achieve a critical mass of positions to be filled by cohort hires;

- At least some centralization of recruiting, hiring, and funding of positions for new hires;

- Common training and education requirements to help bring new hires up to speed;

- Experiential on-the-job training (OJT) periods designed to build on formal training; the assignment of mentors and coaches to new hires; and

- Group activities and team-building experiences to enhance the cohesiveness and mission-orientation of the cohort.

IDA interviewed hiring managers, human resources managers, functional career managers, and other DOD officials to assess the impact of cohort-hiring programs. Interviewees from organizations with cohort-hiring programs identified a number of advantages of the more structured approach to hiring and career-building provided by such programs.

- The programs are a selling point with potential recruits and are believed to attract more highly qualified employees.

- The programs provide new hires and agency officials with an opportunity to get to know each other before final assignments are made, which enables employees to gravitate toward positions that best fit their interests and skills.

- The programs tend to build cohesion and group identity, which is believed to increase employee engagement, performance, and retention.

- The cohort-hiring agencies may gain some efficiencies by consolidating hiring and training operations and avoiding duplication of effort.

Most interviewees emphasized benefits relating to new hire quality and satisfaction but were more skeptical that cohort hiring results in significant efficiency improvements.

The Department collects extensive data about civilian employees generally, but its central service- and Department-wide data collection systems do not distinguish between cohort hires and other new hires. To date, the Department has not sought to systematically identify which of its organizational units have cohort-hiring programs in place. As a result, IDA found that a direct comparison between cohort hires and other new hires in the Department was not possible.

To test the reported benefits of DOD cohort-hiring programs, therefore, IDA took a less direct approach. First, IDA identified four of the cohort-hiring programs—all in defense agencies—that account for a majority (or close to a majority) of the new hires with college degrees in those agencies. IDA then used available data to compare employee characteristics in these "cohort-hiring agencies" to the civilian workforce in other parts of the Department, which were assessed to use cohort hiring for only a small fraction of new hires, if at all. The differences revealed by this analysis are indicative of possible impacts of cohort hiring, but the available data do not enable IDA to determine whether cohort hiring is in fact the cause of these differences.

The comparison between cohort-hiring agencies and other parts of the Department favors cohort-hiring agencies on almost all measures, but the difference is a small one. The relatively small gap may reflect the weakness in the methodology of seeking to reach conclusions about a particular difference in hiring practices on the basis of a bottom-line comparison among large defense components with widely varying missions and circumstances. Nonetheless, the data are generally consistent with the reported benefits of cohort hiring. For example,

- Survey data shows that supervisors and employees in cohort-hiring agencies express a slightly but measurably more favorable opinion when asked whether their work unit is able to recruit people with the right skills.

- Employees in cohort-hiring agencies who were hired in the last ten years express a slightly more favorable response to employee engagement questions on the Federal Employee Values Survey (FEVS).

- Employees in cohort-hiring agencies who were hired in the last ten years express a comparable or very slightly more favorable opinion when asked about the quality and availability of training opportunities in their agencies.

- Cohort-hiring agencies have a relatively low job vacancy rate and perform relatively well on time-to-hire comparisons with other parts of the Department (although time-to-hire numbers vary significantly among cohort-hiring agencies).

In addition, IDA determined that the diversity of the civilian workforces of cohort-hiring agencies compares favorably to the balance of the Department with regard to race, ethnicity, gender, and veterans' employment. This result is consistent with data showing that the use of streamlined direct hire authority (DHA) has produced a higher share of minority and female representation among new hires than has traditional competitive hiring authority. DHA is now available for hiring students and recent graduates and has become the norm for cohort-hiring authorities.

IDA also examined data provided by the Air Force on its cohort-hiring program and determined that retention levels of Air Force cohort hires are significantly higher than for other civilian employee accessions and that Air Force cohort-hiring programs do well on gender diversity, racial diversity, and ethnic diversity but only identify a small number of qualified veterans for the entry-level positions that they provide.

In summary, IDA found that DOD cohort-hiring programs are strongly supported by hiring managers, human resources managers, functional career managers, and other DOD officials, who see benefits in the form of high-quality recruits, better organizational fit, and increased organizational cohesion. These conclusions find support from private-sector practices and the academic literature, both of which indicate that group training, rotational

job experience, and team-building activities are best practices for new hires. While only limited data on the impact of DOD cohort-hiring programs is available, the data are generally supportive of the benefits of cohort hiring.

On the basis of this review, IDA concludes that cohort hiring, when applied to organizations that conduct appropriate strategic planning and identify the need for a critical mass of new hires in entry-level professional positions, is a best practice that has a strong potential to improve recruiting, engagement and retention, and otherwise strengthen the civilian workforce.

While the need for a particular program should always be assessed on an organization-by-organization basis, IDA concludes that the Department should take several steps to make it easier for organizational units to benefit from cohort-hiring practices in appropriate circumstances. In particular, IDA recommends the following:

- The Under Secretary of Defense for Personnel and Readiness, acting through CPP, should develop a best practices guide that provides information to DOD organizations on the features and benefits of cohort hiring and how and when they should be applied.

- The Under Secretary should collect information on cohort-hiring programs across the Department and develop a set of metrics for tracking the performance of these programs in comparison to each other and to other DOD hiring approaches.

- The military departments and defense agencies should develop systematic hiring programs that invest in entry-level civilian employees with critical skills and/or leadership qualities and build cohort-based features into those programs that are appropriate to the circumstances.

Contents

1.   Introduction

The Deputy Assistant Secretary of Defense for Civilian Personnel Policy (CPP) has lead responsibility within the Office of the Under Secretary of Defense for Personnel and Readiness for the development and delivery of civilian personnel policy, including civilian hiring policy. However, CPP does not manage the Department of Defense (DOD) civilian personnel system on a day-to-day basis. Rather, each DOD component is responsible for recruiting, hiring, and managing its own civilian employees. As a result, the Department has a multitude of hiring processes and practices, which vary widely in their effectiveness and efficiency.

Section 1109 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2020[1] calls for an independent review to assess and identify steps that could be taken to improve the competitive hiring process in the Department and to make sure that direct hiring is conducted in a manner consistent with ensuring a merit-based civil service and a diverse workforce in the Department. The provision specifically directs that the review consider the feasibility and desirability of using cohort hiring, or hiring "talent pools, instead of conducting all hiring on a position-by-position basis."[2]

Pursuant to this requirement, CPP asked the Institute for Defense Analyses (IDA) to assess means by which the Department could better access the talent it needs to fill skill gaps and to meet critical personnel requirements, with a particular focus on the feasibility and desirability of expanding the use of cohort hiring and related innovative hiring practices. IDA conducted this review in conjunction with a second assessment that looked at DOD outreach, recruiting, and hiring programs more broadly.

This paper is organized as follows:

- Chapter 2 provides background on the DOD civilian hiring process and on the use of cohort-hiring programs in the private sector.

- Chapter 3 explains the methodology applied by the IDA research team.

- Chapter 4 describes the six DOD cohort-hiring programs identified by the IDA team, along with the similar Army new hire program.

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[1]   National Defense Authorization Act (NDAA) for Fiscal Year 2020, Pub. L. 116-92, 133 Stat. 1198, 116th Cong. (2019), SEC. 1109, https://www.congress.gov/116/plaws/publ92/PLAW-116publ92.pdf.

[2]   Ibid., 133 Stat. 1600.

- Chapter 5 addresses common features of cohort-hiring programs, including the use of predictive analysis to assess workforce requirements, common training and education programs, on-the-job training (OJT) and rotational programs, the use of mentors, coaches, and sponsors, and common activities to build cohesion and networks.

- Chapter 6 addresses benefits of the programs, based on interview results and analysis of available data. The interviews and the data reviewed by the IDA team indicate that cohort hiring can benefit DOD organizations by attracting high quality recruits, building cohesion and commitment to the mission of the organization, helping individual employees find the best fit in the organization, and streamlining hiring and training processes.

- Chapter 7 addresses major issues, including the use of competitive hiring authority and Direct Hire Authority (DHA), the centralization of funding, billets, and hiring decisions, cost and funding, the impact of cohort-hiring programs on diversity in the workforce, and metrics on cohort-hiring programs.

- Chapter 8 offers three recommendations for steps the Department could take to optimize its use of cohort-hiring programs: the publication of a best practices guide for cohort-hiring programs, the development of consistent metrics to assess program performance, and the institutionalization of state-of-the-art requirements-based cohort-hiring programs in the military departments.

2.   Background

DOD is the largest employer in the world, with a workforce of almost 3 million, including approximately 2.2 million service members (active and reserve) and roughly 750,000 civilian employees. The Department uses very different models to recruit, hire, and train its civilian and military workforces.

The civilian personnel system is centered on individual positions, each with its own position description. An individual is generally hired for a particular position in a specific command or organizational unit and can expect to remain in that position unless and until he or she applies for and receives a new position. Succession planning generally revolves around individual vacancies. When a position becomes vacant, the Department begins the process of looking for a replacement. Moreover, the Department delegates civilian recruiting and hiring to the lowest possible level, treating it as a local responsibility for individual commands and organizations. DOD interviewees told the IDA team that the Department does not have a systematic approach to refreshing the civilian workforce and that any succession planning is highly dependent on the initiative of individual hiring managers.

This atomized approach to recruiting and hiring leaves little room for strategic work-force development. Requirements are almost always structured around the existing work-force rather than an analysis of the work that needs to be done and how it could best be performed. One DOD interviewee told the IDA team that the Department has a limited number of civilian billets, so it is not able to build up new positions and capabilities without downsizing in other areas. A second interviewee stated that "DOD doesn't do workforce planning well for civilians." As a result of these shortcomings and a general deficiency in funding and resources for civilian workforce recruiting, DOD civilian service generally lacks a "brand" identity in the marketplace for talent. Potential recruits frequently have no idea that DOD civilian careers exist, let alone that these careers may provide attractive opportunities.

By contrast, the Department fields a nationwide recruiting force to constantly refresh the ranks of the military services. The Army alone employs more than 10,000 recruiters working out of 1,400 recruiting stations in effort to bring on board 70,000 to 80,000 new soldiers every year. Each of the military services routinely assesses its personnel needs across a period of years, measures attrition, and projects future requirements. These requirements are transmitted to recruiting commands and to recruiters in the field in the

form of numerical objectives. Recruiters are not only provided overall recruiting targets, but are also provided high-priority recruiting targets for skills that are in short supply.

Military succession planning is developed not just to fill current vacancies, but also to grow careers and ensure that suitable replacements will be available to fill billets in five, ten, and even twenty years. New recruits are brought into the force not just as individuals, but also as part of a cohort that will be grown and molded to recognize a common mission and work together toward common objectives. The military model is to "grow your own talent," bringing on board the highest quality recruits available and providing them with the training and education needed to develop required skills. To this end, new recruits are incorporated into units from the moment of accession, provided developmental opportunities through a balance training, education, and practical experience, and rotated through tours of duty that expose them to different units, leadership cohorts, and aspects of the mission. By design, this process helps attract, build, and retain military talent.

The military program of systematic succession planning and career building for large groups of new hires has significant advantages in building expertise, commitment to mission, and force cohesiveness. Cohort-hiring programs generally bring new employees together for common activities and provide a period for initial training and adjustment that allows employees to establish networks for support and recognition. Recent studies have linked training programs to increases in employee engagement,[3] employee engagement to

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3   Paul S. Eley, "Zero Angle on the Bow: Where Millennials and STEM Collide within the Department of Defense" (master's thesis, Air Command and Staff College, Air University Maxwell AFB, 2018), https://apps.dtic.mil/sti/citations/AD1055019; Neil A. G. McPhie, *The Power of Federal Employee Engagement* (Washington, DC: U.S. Merit Systems Protection Board, December 2008), https://www.mspb.gov/netsearch/viewdocs.aspx?docnumber=379024&version=379721; Harvard Business Review Analytic Services, "The Impact of Employee Engagement on Performance" (Brighton, MA: Harvard Business Publishing, 2013), https://hbr.org/resources/pdfs/comm/achievers/hbr_achievers_report_sep13.pdf; Kirsten M. Keller et al., *Advancement and Retention Barriers in the US Air Force Civilian White Collar Workforce: Implications for Demographic Diversity*, RR-2643-AF (Santa Monica, CA: RAND Corporation, 2020), https://www.rand.org/pubs/research_reports/RR2643.html.

increases in retention and performance,[4] and lack of recognition to decreases in employee well-being and performance.[5]

Several studies have also shown that rotating new hires through a series of positions before making a final placement is beneficial. By being exposed to many different positions, cohort hires experience a variety of perspectives and are able to better see how their work fits into agency goals. This practice has been shown to not only increase retention and productivity, but also to foster creativity since employees can pursue unique solutions that improve the agency's pursuit of its goals.[6] These gains are in addition to the gains from having a better employee-employer match that results from both parties gaining information about the other.[7] Work in the same agency but for different positions still provides valuable experience for cohort hires by developing occupation, industry, and firm specific capital (skills).[8]

Not surprisingly, the private sector has also seen the advantages of developing pipelines of new talent through systematic planning, recruiting, and career building activities. A recent article in *Chief Learning Officer* magazine explained that "cohort-based executive development programs that integrate four specific learning components – group learning, executive and peer coaching, experiential/action learning activities and a strong emphasis

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[4] Jerry Krueger and Emily Killham, "Who's Driving Innovation at Your Company?" *Gallup Business Journal*, September 14, 2006, https://news.gallup.com/businessjournal/24472/whos-driving-innovation-your-company.aspx; United States Government Accountability Office, *FEDERAL WORKFORCE: Preliminary Observations on Strengthening Employee Engagement During Challenging Times*, Testimony before the Subcommittee on Government Operations, Committee on Oversight and Government Reform, House of Representatives, Statement of Robert Goldenkoff, Director of Strategic Issues, GAO-15-529T (Washington, DC: U.S. Government Accountability Office, April 2015), https://www.gao.gov/assets/gao-15-529t.pdf; Towers Perrin, *Working Today: Understanding What Drives Employee Engagement* (Philadelphia, PA: Towers, Perrin, Forster & Crosby, 2003), https://studylib.net/doc/12886509/understanding-what-drives-employee-engagement-working-tod....

[5] Jean-Pierre Brun and Ninon Dugas, "An Analysis of Employee Recognition: Perspectives on Human Resources Practices," *The International Journal of Human Resource Management* 19, no. 4 (2008): 716–730, https://doi.org/10.1080/09585190801953723.

[6] Harvard Business Review Analytic Services, "The Impact of Employee Engagement on Performance"; Dave Ulrich and Wendy Ulrich, *The Why of Work: How Great Leaders Build Abundant Organizations That Win* (New York, NY: McGraw Hill, 2010).

[7] McPhie, *The Power of Federal Employee Engagement*.

[8] Gueorgui Kambourov and Iourii Manovskii, "Occupational Specificity of Human Capital," *International Economic Review* 50, no. 1 (February 2009): 63–115, https://doi.org/10.1111/j.1468-2354.2008.00524.x; Paul Sullivan, "Empirical Evidence on Occupation and Industry Specific Human Capital," *Labour Economics* 17, no. 3 (June 2010): 567–580, https://doi.org/10.1016/j.labeco.2009.11.003.

on personal development and self-awareness – offer a powerful way to rapidly develop leaders at *any* level."[9]

Online workplace review sites provide numerous examples of private sector employers who offer cohort-hiring programs including a combination of training, mentorship, and rotational job experiences. A recent RippleMatch article lists twenty-six companies, including industry leaders like Allstate, Baker Hughes, Cigna, Honeywell, Mastercard, Texas Instruments, and Wells Fargo, that use professional development programs to engage entry-level employees.[10] Under the Baker Hughes program, for example, "recent grads rotate through different business functions" and "have access to mentorship from senior leadership as well as training to grow as future leaders within the company."[11]

Similarly, Glassdoor published an article on companies, including Boeing, ManTech, Deloitte, Abbott, and Emerson, that use office rotation options to entice employees.[12] The Boeing program advertises as follows:

> Starting with us in a rotational program is the best way to prepare for the next step in your career. While working alongside mentors on real projects, you'll rotate through different areas of the company, gaining new skills and working with industry leaders. New opportunities exist in Business, Engineering, Human Resources, and Information Technology.[13]

The IDA team interviewed a half dozen representatives of academic institutions and student affinity groups to assess their views of the recruiting and hiring practices of DOD and its private sector competitors. Four of these interviewees stated that students are looking for a supportive working environment and are likely to be attracted to an employer that offers peer relationships, mentorship, and training to help bring them into the workplace and develop them in their career aims.

One interviewee took note of a Northrop-Grumman cohort-hiring program, while another described a Comcast cohort-hiring program, suggesting that knowledge about these programs spreads among students by word of mouth and helps the companies draw more and better talent. Cohort-hiring programs demonstrate an organization's willingness to invest time and resources in new hires, which contributes to recruiting success. If the

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[9] Rick Koonce and Alyson Lyon, "Cohort-Based Programs Can Develop Leaders at All Levels," *Chief Learning Officer*, December 5, 2019, https://www.chieflearningofficer.com/2019/12/05/cohort-based-programs-can-develop-leaders-at-all-levels/.

[10] "26 Companies That Offer Exceptional Professional Development Programs for Entry-Level Employees," RippleMatch, May 9, 2021, https://ripplematch.com/journal/article/companies-that-offer-exceptional-professional-development-programs-for-entry-level-employees-f53abebf/.

[11] Ibid.

[12] Emily Moore, "7 Companies With Amazing Office Rotation Options," Glassdoor, November 29, 2017, https://www.glassdoor.com/blog/companies-with-office-rotation-options/.

[13] "Entry-Level Careers," Boeing, n.d., https://jobs.boeing.com/entry-level.

programs are run in a manner that shows a continuing commitment to the development of young employees and a responsiveness to them as individuals, they are also likely to contribute to retention. None of these interviewees were aware of any cohort-hiring programs at DOD.

The IDA team also interviewed six private sector employers in an effort to identify leading edge recruiting and hiring practices with potential application to DOD. Several of these employers either were too small to have cohort-hiring programs, focused their recruiting efforts on experienced workers rather than new entrants who might benefit from cohort-hiring programs, or hired predominantly short-term employees who were not expected to be with the company long enough to pay back the investment in a cohort-hiring program.

Two employers in the interview group did, however, have sizeable workforces that included a substantial number of new hires and shared the DOD objective of building and retaining talent over the long term. One was a major defense contractor, and the other was one of the nation's leading research and engineering centers. Both rely heavily on cohort-hiring approaches as a means to attract, build, and retain science, technology, engineering, and mathematics (STEM) talent and other high-end workforce skills. For example,

- The defense contractor reported that it assesses hiring requirements on an annual basis and brings on new hires in fall and spring classes. Close to three-quarters of new hires are first brought in through internships, which give them an opportunity to experience company culture, view the company mission through guest speakers and learning events, and begin to find their best fit in the company. Full-time hires have the option of being placed into rotation programs that typically last for two years. These programs offer a series of four- to six-month assignments, along with training and education, teambuilding events, capstone projects, and guest speakers. The company has found that this approach helps engage new employees, build their team spirit and commitment to the mission, and place them in jobs that are most suited to their skills.

- The research and engineering center reported that it has one program to make sure that new hires successfully make the transition from college to a workplace environment and another program to rotate interested new hires through different assignments to find their best fit in the organization. These programs treat new hires as a cohort and offer lunches, tours, briefings, and opportunities to present their work to leadership. In addition to these enterprise-level programs, individual departments, divisions, and specialty areas offer their own programs for new hires so that a single new hire can be a part of multiple cohorts at the same time. In this way, the organization seeks to maximize the personal and professional connections of new employees and get them committed to the institution.

Both employers reported that their cohort-hiring and job-rotation programs are not only helpful for building employee skills, but are also major selling points for recruiting and retention.

IDA identified several federal agencies with similar cohort-hiring programs, including the Centers for Disease Control (CDC)[14] and the Food and Drug Administration (FDA).[15] The highly competitive Presidential Management Fellows (PMF) program serves a similar function for several hundred new hires a year on a government-wide basis. PMF fellows receive two-year appointments, during which they participate in formal classroom training, developmental assignments, rotational opportunities, and career development activities.[16] The Office of Personnel Management (OPM) recruits and selects PMF fellows, who can then be hired by participating agencies.[17]

All the organizations running these programs appear to have several things in common:

- They employ large numbers of employees with professional competencies in fields such as business, accounting, engineering, science, medicine, and technology.

- They expect a significant portion of this professional workforce to build a career in the organization rather than rotating through on a short-term basis.

- They are able to forecast future hiring requirements sufficiently to justify hiring a critical mass of new employees in periodic (generally annual or semi-annual) cohorts.

- They have determined that benefits to recruiting and retention are sufficient to justify a significant investment of time and resources in these new hires through a cohort-hiring program.

DOD human capital strategy documents show that the Department is also starting to recognize the importance of investing in its civilian employee workforce. The DOD Civilian Human Capital Operating Plan establishes three major lines of effort (LOEs) for the

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[14] "Fellowships and Training Opportunities," Centers for Disease Control and Prevention (CDC), accessed May 18, 2021, https://www.cdc.gov/fellowships/index.html.

[15] "Scientific Internships, Fellowships/Trainees and Non-U.S. Citizens," U.S. Food and Drug Administration (FDA), last updated January 24, 2021, accessed May 18, 2021, https://www.fda.gov/about-fda/jobs-and-training-fda/scientific-internships-fellowships-trainees-and-non-us-citizens?source=govdelivery.

[16] "Owning Your Experience," U.S. Office of Personnel Management, Presidential Management Fellows (PMF) Program, last updated October 4, 2017, accessed May 18, 2021, https://www.pmf.gov/current-pmfs/owning-your-experience/.

[17] United States Office of Personnel Management, "Presidential Management Fellows Program: Meeting Your Agency's Succession Planning Needs," PMF-201 (Washington, DC: United States Office of Personnel Management, April 2009), https://www.pmf.gov/media/967/agencybrochure.pdf.

civilian workforce: (1) delivering talent, (2) maximizing employee performance, and (3) transforming the human resources function in the Department.[18] The first LOE is elaborated in a plan that addresses strategic outreach and recruitment by developing partnerships with defense components to recruit and build civilian skills across the Department's civilian workforce.[19]

The human capital strategies of the three military departments reflect similar priorities. The Air Force Strategy document notes the need for a holistic strategy for attracting, recruiting, developing, and retaining critical talent over a period of years.[20] The Army People Strategy states that "[t]he Army must make people the centerpiece of its competitive advantage by prioritizing human capital investment or risk losing its overmatch capabilities to potential adversaries."[21] Finally, the Department of the Navy Civilian Human Capital Strategy notes that DOD must respond to competitors who invest in workforce experiences that build high engagement and identify high-potential employees and rotate them through development opportunities that constantly expose them to the exciting possibilities that exist within their enterprise.[22] The Navy strategy document states the following:

> [T]o achieve its mission, the DoN [Department of the Navy] must compete for talent with top-tier private and public organizations – and win the battle. From scientists to shipyard artisans, the DoN will play to its biggest strength – the mission of supporting United States Sailors and Marines. If the DoN cannot connect the day-to-day work of every single employee to this broader mission, and create a compelling and engaging workforce experience, top-tier talent will bypass the Department for other organizations that have other perks to offer.[23]

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[18] Department of Defense, FY 2020 – FY 2021 Department Of Defense Civilian Human Capital Operating Plan (Washington DC: Department of Defense, October 2019), https://www.dcpas.osd.mil/Content/documents/PA/FY20_21_HumanCapitalOperatingPlan_1119.pdf.

[19] Department of Defense, *Strategic Outreach and Recruitment* (Washington, DC: Defense Human Resources Activity, Defense Civilian Personnel Advisory Service, n.d.), https://www.dcpas.osd.mil/Content/documents/EC/DoDStrategicRecruitmentPlan.pdf.

[20] United States Air Force, "Human Capital Annex to the USAF Strategic Master Plan" (Washington, DC: Headquarters, Department of the Air Force, May 2015), https://www.af.mil/Portals/1/documents/Force%20Management/Human_Capital_Annex.pdf.

[21] United States Army, *The Army People Strategy* (Washington, DC: Headquarters, Department of the Army, October 2019), 4, https://people.army.mil/wordpress/wp-content/uploads/2019/10/The-2020-Army-People-Strategy-Final.pdf.

[22] United States Navy, *Department of the Navy 2019–2030 Civilian Human Capital Strategy: Workforce of the Future* (Washington, DC: Department of the Navy, 2019), https://www.secnav.navy.mil/donhr/Documents/DON%20Human%20Capital%20Strategy.pdf.

[23] Megan Eckstein, "Navy Releases Civilian Manpower Strategy to Attract, Retain Amid 'War' for Talent," *USNI News*, January 9, 2020, https://news.usni.org/2020/01/09/navy-releases-civilian-manpower-strategy-to-attract-retain-amid-war-for-talent.

The IDA project was designed to determine the extent to which DOD organizations have instituted cohort-hiring programs, to assess the benefits provided by such programs, and to make recommendations for the further use of such programs in the Department.

3.   Methodology

A.   Overview

IDA undertook five LOEs to carry out this assessment:

- **LOE 1.** A review of applicable statutory and regulatory flexibilities.

- **LOE 2.** An identification of organizations that currently use cohort hiring.

- **LOE 3.** Examination of relevant personnel data for organizations that use cohort hiring.

- **LOE 4.** Interviews of hiring managers and personnel specialists on the use of cohort hiring.

- **LOE 5.** Consultation with a range of stakeholders including public sector unions, hiring managers, career agency employees, and OPM specialists, on cohort hiring.

B.   LOEs

1.   LOE 1: Review of Statutes and Regulations

IDA's review of applicable statutes and regulations did not identify any legal imped-iments to the use of cohort hiring in the Department. DOD organizations have demon-strated that cohort hiring can be used with competitive hiring authority or with DHA and under the General Schedule (GS) system or under alternative personnel systems (although almost all cohort hiring programs currently fall under the GS system). DOD organizations have the flexibility to hire multiple individuals pursuant to a single job announcement and to place those new hires into training and rotational programs. Budgets, billets, and hiring authorities can be maintained at the local level or centralized at the discretion of the com-ponent. Cohort-hiring programs have been carried out in all these variations.

2.   LOE 2: Identification of DOD Cohort-Hiring Programs

The Department does not maintain any central list or record of cohort-hiring programs or other innovative hiring approaches. By reaching out to human resource leaders across the DOD organization, IDA was able to identify six ongoing cohort-hiring programs:

- The new auditor program of the Defense Contract Audit Agency (DCAA),

- The Keystone program of the Defense Contract Management Agency (DCMA),

- The Pathways to Career Excellence (PaCE) program of the Defense Logistics Agency (DLA),

- The Missile Defense Career Development Program (MDCDP) (MDA),

- The PALACE Acquire (PAQ) and COPPER CAP (COP) programs of the Department of the Air Force, and

- The Naval Acquisition Development Program (NADP).

The Army has a new hire program under its Army Career Development Program (ACDP), which has many similar features to the six cohort-hiring programs. However, ACDP, with the exception of its logistics component, is not a cohort-hiring program because it brings on new hires as individuals rather than as part of a cohort.

3. LOE 3: Examination of Data

No DOD component relies exclusively on cohort hiring for all its new hires, and DOD personnel records do not distinguish cohort hires from other new hires. The Department's failure to segregate information about cohort hires makes it difficult to assess personnel data specific to cohort hires. However, DCAA, DCMA, DLA and MDA rely on cohort-hiring programs for a significant share (historically, more than 50 percent) of their new employees with college degrees. Therefore, IDA was able to develop a rough assessment of the impact of cohort hiring by comparing the data on these four agencies with the data from other elements of the Department that rely on cohort-hiring programs for a much smaller share of new hires if they have such programs at all.

Many factors—including some that may be unrelated to cohort hiring such as organizational culture and mission—can contribute to the differences in metrics across the selected agencies and other DOD organizations. In addition, while the four identified DOD agencies bring in a large share of new hires through a cohort-hiring process, other agencies are conducting cohort hiring on a smaller scale (e.g., the Air Force's PAQ and COP programs). Consequently, this paper uses the data to examine whether broad patterns exist in differences across cohort-hiring agencies compared to the rest of DOD and the federal government more broadly, but IDA does not have enough data to conclude that the use of cohort hiring causes these differences.[24]

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[24] To conduct this sort of causal analysis, we would need detailed data on the implementation details of each cohort-hiring program, detailed information on individuals recruited through a cohort-hiring program, and a well-identified control group of individuals who are hired to a similar organization through other mechanisms.

Overall, IDA examined data from four main sources:

- The Office of Personnel Management Federal Employee Viewpoint Survey (OPM FEVS),

- OPM's FedScope,

- The Defense Civilian Personnel Advisory Service (DCPAS) data on vacancies, and

- The Corporate Management Information System (CMIS)/Defense Civilian Personnel Data System (DCPDS) reports on new hires.

OPM FEVS is an annual survey of federal civilian employees.[25] Survey respondents are asked to report on their perceptions of their work experience, their work unit and agency, and their satisfaction with various attributes of their current jobs. The IDA team acquired data from the 2019 FEVS to compare employee perceptions across the organizations that were identified as performing large amounts of cohort hiring with the rest of the federal government.

As Table 1 shows, more than 615,000 employees across the federal government responded to the 2019 FEVS, including more than 13,000 in the four DOD agencies identified as conducting large amounts of cohort hiring. These cohort-hiring agencies comprise about 42 percent of the responses from all DOD Fourth Estate organizations and a comparable share of respondents who were supervisors or who were hired to the federal government within the previous ten years (excluding military service).[26] Statistics for the FDA are also considered on some issues, even though it is not a DOD agency because participants in interviews identified the FDA as another federal organization that conducts a large amount of cohort hiring.

OPM's FedScope provides publicly available data on the composition of the federal workforce. IDA examined data from 2016 to 2020 (inclusive), and limited the sample to employees with career (competitive service permanent), career-conditional (competitive service permanent), schedule D (excepted service permanent), and other (excepted service permanent) types of employment. To keep from double counting observations within a year, IDA used the June data for each year.

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[25] Specifically, OPM reports that the FEVS "is administered to full-time and part-time, permanent, non-seasonal employees of Departments and large agencies and the small independent agencies that accept an invitation to participate in the survey." See "Federal Employee Viewpoint Survey," Office of Personnel Management, https://www.opm.gov/fevs/about/.

[26] These latter two categories—respondents who were supervisors or were hired to the federal government within the previous ten years—are not mutually exclusive.

Table 1. Number of Respondents in the 2019 FEVS by Organization and Employee Type

Agencies	All	Hired within the Previous Ten Years	Supervisors
DCMA	4,296	2,369	529
DCAA	3,106	1,886	598
DLA	4,879	2,611	631
MDA	1,056	752	129
Total DOD Cohort-Hiring Agencies	**13,337**	**7,618**	**1,887**
Other Fourth Estate	18,081	10,602	2,352
Army	85,639	41,585	15,358
Navy	51,318	29,981	7,763
Air Force	31,348	18,422	4,626
Total DOD	**199,723**	**108,208**	**31,986**
FDA	12,250	6,441	1,876
Other Non-DOD	403,422	183,482	72,974
Total Federal	**615,395**	**298,131**	**106,836**

Note: DCMA, DCAA, DLA, and MDA were identified in interviews as organizations in DOD that do a large amount of cohort hiring. The FDA was identified as a non-DOD organization that also conducts a large amount of cohort hiring. "Hires within the past ten years" refers to individuals hired within the past ten years by the federal government—not necessarily the current agency—excluding any military service.

DCPAS provided vacancy data from U.S. Army staffing. Vacancies are defined as the difference between the agency-by-occupation authorizations and strength.[27]

DCPAS also provided hiring data files from FY15 to FY19, which come from a CMIS/DCPDS report that contains all fill actions. Contained within the data files are different demographic and hiring variables for each agency listed. To answer our research questions, IDA limited the sample size in these data files specifically to employees who were identified as new hires.[28] Table 2 tabulates new hires for DOD agencies by fiscal year. In these data files, 272,712 individuals reported as new hires. New hires in cohort-hiring agencies represent 25 percent of all new hires in the Fourth Estate and 4 percent of all new hires in DOD.

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[27] At times, the vacancy rate can be negative when more strength than authorizations are reported. We excluded negative vacancies in our analysis, which may have artificially inflated the share of vacancies.

[28] There is a data field called "appointment" in the DCPAS data files, which identified people as new hires, external transfer hires, internal transfer hires, and other categorizations. For our analysis, we filtered the data specifically for new hires.

Table 2. Number of New Hires in FY2015–FY2019

Agencies	FY15	FY16	FY17	FY18	FY19
DCMA	186	236	123	104	137
DCAA	135	138	399	323	274
DLA	1,440	1,726	1,099	1,734	1,654
MDA	<u>45</u>	<u>121</u>	<u>139</u>	<u>84</u>	<u>202</u>
Total DOD Cohort-Hiring Agencies	**1,806**	**2,221**	**1,760**	**2,245**	**2,267**
Other Fourth Estate	7,895	8,168	6,517	6,769	6,653
Army	15,198	15,950	13,347	16,325	18,957
Navy	18,801	16,536	12,320	19,962	20,698
Air Force	<u>10,735</u>	<u>12,613</u>	<u>8,115</u>	<u>11,542</u>	<u>15,312</u>
Total DOD	**54,435**	**55,488**	**42,059**	**56,843**	**63,887**

Source: CMIS/DCPDS reports.

4.   LOE 4 and LOE 5: Interviews and Stakeholder Consultations

To develop a better understanding of how cohort-hiring programs work and the impact that they have in practice, IDA interviewed recruiters, hiring managers, and personnel specialists in the Department (LOE 4) and consulted with a range of stakeholders, including functional community leaders, college and university representatives, union representatives, and professional affiliation and affinity groups (LOE 5). Over a period of roughly six months in late 2020 and early 2021, IDA conducted 62 interviews, speaking to 127 individuals.

These interviews were conducted on a not-for-attribution basis, so the names and positions of individual interviewees are not included in this paper. For the same reason, information provided by interviewees is referenced in this paper with generic descriptions of the individuals providing the information (e.g., "an Army official stated" or "an official with a defense agency told the IDA team"). A complete listing of the organizational affiliations of individuals interviewed for the report is provided in Table 3.

The budget and time constraints on this assessment did not permit IDA to survey DOD employees or applicants for employment to obtain their views on cohort-hiring programs. In the absence of such a tailored survey, IDA sought to assess the views of employees and applicants for employment by reviewing existing survey data, interviewing stakeholders who have frequent contact with employees and applicants for employment, and reviewing publicly available data on cohort-hiring agencies from Glassdoor. Glassdoor is an on-line site that allows employees to rank employers on different workplace characteristics, including career opportunities, compensation and benefits, work-life balance, and culture and values. Glassdoor also gives employees the chance to offer an overall ranking out of 5, as well as a binary choice on whether they would recommend that employer to a

friend. Sites such as Indeed and CareerBliss offer similar services, but typically with a smaller number of reviews.

Table 3. List of IDA Interviews

Army (Fourteen Interviews)	OSD (Six Interviews)
• G1/Human Resources Office • Army Office of Acquisition Career Management • Training and Doctrine Command • Army Futures Command (3) • Army Combat Capabilities Development Command (3) • Army Test & Evaluation Command • Army Research Lab (3) • Army Manpower and Reserve Affairs	• DOD Comptroller's Office • Laboratories Office, Office of the Under Secretary of Defense for Research and Engineering) • Chief Information Officer/Cyber Workforce Office • Human Capital Initiatives, Office of the Under Secretary of Defense for Acquisition and Sustainment • Defense Language and National Security Education Office • Diversity Management Operations Center
Navy (Eight Interviews)	**Fourth Estate (Seven Interviews)**
• Navy Manpower & Reserve Affairs (2) • Naval Sea Systems Command • Naval Research Lab • Naval Education and Training Command • Navy Recruiting Command (3)	• Office of Acquisition Career Management for the Fourth Estate • Joint Artificial Intelligence Center • Missile Defense Agency • Defense Contract Audit Agency (2) • Defense Contract Management Agency • Defense Logistics Agency
Marine Corps (Five Interviews)	**Stakeholders (Sixteen Interviews)**
• Marine Corps Human Resources (2) • Marine Corps Recruiting Command (2) • Department of the Deputy Commandant for Information	• Affinity Groups (3) • Universities (4) • Unions (2) • Defense Contractors (5) • Office of Personnel Management • State Veterans Affairs Office
Air Force (Six Interviews)	
• Office of Acquisition Career Management • Talent Management Office • Air Force Personnel Center (2) • Air Force Recruiting Service • Air Force Materiel Command	

Note: A number in parentheses (e.g., (3)) after an organization name indicates the number of interviews that IDA conducted with that organization.

4. DOD Cohort-Hiring Programs

The IDA team identified six major cohort-hiring programs in DOD:

- The New Auditor program of the DCAA,
- The Keystone program of the DCMA,
- The PaCE program of the Defense Logistics Agency (DLA),
- The MDCDP (MDA),
- The PAQ and COP programs of the Air Force, and
- The NADP of the Navy.[29]

Each program is a two- to three-year commitment that includes elements of formal training and education along with OJT (including rotational assignments) and the use of coaches and mentors. The Army has a new hire program under its ACDP that has many similar features to the six cohort-hiring programs but is not a cohort-hiring program because it brings in new hires as individuals rather than as part of a cohort.[30]

With the exception of the relatively small MDA program, each of these programs brings on several hundred new participants every year. From the perspective of the share of the workforce impacted, however, the programs are very different in scale. The defense agency programs cover a substantial share of annual new hires who have at least a college degree (ranging from roughly 45 percent to 85 percent), although several of the programs are expected to drop in size in the next year due to budget cuts. IDA cannot yet determine whether overall new hires in these agencies will also decline or whether the decrease in cohort hiring will be offset by increases in other hiring approaches.

By contrast, the programs run by the military departments account for a much smaller share of new hires with college degrees (just under 20 percent for the Department of the Air Force and only about 5 percent for the Department of the Navy). The Army ACDP program covers about 10 percent of Army new hires with college degrees, but the only cohort-hiring component of the program includes just 2 percent of new hires with college degrees.

Table 4 shows the relative size and length of DOD cohort-hiring programs. Each of these programs is described in more detail in Section 4.A and Section 4.B.

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[29] These programs were identified through interviews with key officials in the military departments and defense agencies. Because the Department does not track cohort-hiring programs, IDA cannot rule out the possibility that additional DOD organizations may run their own cohort-hiring programs at a lower organizational level.

[30] The logistics component of the ACDP program is an exception, bringing on new hires as a cohort.

Table 4. DOD Cohort Hiring Programs

Organization	Total Civilian Employees	Annual College Grads Hired	Annual Cohort Hires	Duration of Program
DCAA	4,500	220	85% of new hires	Three years
DCMA	11,000	330	100–160	Three years
DLA	26,000	430	300–350	Two years
MDA	2,600	110	25–50	Three years
Air Force	172,000	5,000	900	Two+ years
Navy	221,000	8,000	400	Two+ years
Army [Logistics]	190,000	7,500	700 [150]	Two years

A. Defense Agency Programs

1. DCAA Auditors New Hire Continuum

DCAA conducts independent audits of defense contracts to ensure that costs proposed and incurred on such contracts are allowable, allocable, and reasonable. DCAA headquarters is located in Fort Belvoir, Virginia. It has four regional offices, located in Smyrna, Georgia, Irving, Texas, La Palma, California, and Reston, Virginia, and about 300 branch and resident offices located throughout the United States and around the world. DCAA has roughly 4,500 employees, 4,350 of whom have college degrees and 4,000 of whom are auditors.[31]

DCAA has a structured program for entry-level employees called the "New Hire Continuum."[32] The program is limited to auditors, but 85 percent of DCAA's new hires are auditors. Every year the agency collects information from its operating units to determine staffing requirements and then posts job announcements for all locations that need new auditors. Several central hiring panels run at the same time to review applications and select program participants, who are matched to operating units with verified requirements in accordance with their geographic availability. The program uses a combination of competitive hiring and direct hiring, depending on the circumstances.

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[31] U.S. Department of Defense, *Report to Congress on FY 2019 Activities Defense Contract Audit Agency* (Ft. Belvoir, VA: Defense Contract Audit Agency, May 26, 2020), https://www.dcaa.mil/Portals/88/ FY2019%20DCAA%20Report%20to%20Congress.pdf?ver=XKAncoiKefo8TD5eh-OCxQ%3d%3d.

[32] "Auditor Training," Defense Contract Audit Agency (DCAA), https://www.dcaa.mil/Careers/Career-Development/Auditor-Training/.

Once hired, each program participant is tagged to a specific location and immediately sent to DCAA's audit institute for training.[33] New hires start with a one-week on-boarding session and a one-week introduction to audit concepts and contract auditing before being sent to their assigned offices for six to eight weeks to get to know their colleagues and begin the process of OJT. This OJT is followed by a second two-week course at the audit institute (basic contract audit skills), another sixty days of OJT, and a third two-week course (audit applications). Additional periods of formal training and supervised work experience follow. Program participants generally receive about 300 hours of professional training over the three-year course of the program and are expected to achieve certifications in acquisition, financial management, and the Generally Accepted Government Auditing Standards (GAGAS) before they graduate.

The DCAA program does not include rotational assignments. Rather, each participant is assigned to a specific unit (which holds his or her billet and pays his or her salary) and can expect to work on different types of audits and different audit phases within that unit. Interviewees told the IDA team that supervisory auditors try to give participants a variety of opportunities so that they have an opportunity to develop broadly without being pigeon-holed early. DCAA policy calls for coaches and mentors to be assigned to all program participants, although resource constraints may have resulted in some deviations from that policy. Coaches are supposed to help build specific skills on which participants have already been trained, while mentors help them interact with supervisors and build relation-ships in the workplace.

2.   DCMA Keystone Program

DCMA provides contract management services for the Department, which entail ver-ifying that products and services are delivered in a timely manner and meet contract requirements. DCMA manages more than 260,000 contracts and authorizes $830 million in contractor payments every day.[34] DCMA headquarters is located in Fort Lee, Virginia. It operates out of 47 major offices and 1,000 locations to oversee 15,000 contractors around the world.[35] The agency has approximately 11,000 civilian employees and has hired an average of about 330 college graduates per year over the last five years.

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[33] DCAA Staff Writer, "What Is DCAA New Auditor Training," Defense Contract Audit Agency (Wash-ington Headquarters Service, October 30, 2020), https://www.whs.mil/News/News-Display/Article/2399797/what-is-dcaa-new-auditor-training/.

[34] Defense Contract Management Agency, "By the Numbers," *Insight*, 2021, 2, https://www.dcma.mil/Portals/31/Documents/InsightMag/DCMA_Insight_2021_v2.pdf?ver=UCGx_B_x5YibrWXNaRmq4A%3d%3d.

[35] Ibid.

DCMA runs a three-year entry-level developmental program known as Keystone,[36] which was established twenty years ago and overhauled in 2016. The DCMA Human Capital Recruitment Division posts job announcements for the Keystone program, but hiring decisions are made locally, with each office putting together its own hiring panels. In some cases, an applicant may check multiple boxes for desired locations and may be considered by more than one local hiring panel. DCMA has used a combination of competitive and non-competitive appointing authorities to fill Keystone positions but reports that it now relies exclusively on expedited and DHAs. In the past, about 160 new employees have been hired each year through the Keystone program, but current plans call for only 100 new hires next year. DCMA employees told the IDA team that the Keystone program is the agency's "predominant" approach to new entry hiring.

The Keystone program provides a combination of classroom training, online training, OJT at the hiring location, and rotational assignments. New Keystone hires are "treated as a cohort, with a headquarters-based orientation and training program called the Keystone Boot Camp designed to provide an introduction to DCMA's mission and worldwide operations, as well as opportunities to meet senior-level agency management."[37] DCMA interviewees told the IDA team that an approximate 75 percent to 25 percent split exists between training and work the first year, with the ratio flipping by the third and final year. The Keystone program allows new hires to train together to establish a group identity while working to achieve needed certifications under the Defense Acquisition Workforce Improvement Act (DAWIA) by the end of the third year.

Each career field in the Keystone program has a "learning map" designed to ensure the achievement of required training and competency levels, and each individual participant has an Individual Development Plan (IDP), including work and training objectives. Work assignments in the Keystone program are consciously designed to ensure that participants develop the functional competencies needed to perform as acquisition professionals. Geographic rotational assignments include a handful of international assignments for third-year Keystones. The program also includes special events, such as meetings with agency leaders and opportunities to attend senior staff meetings. Each program participant is assigned a mentor who is expected to provide a bridge to DCMA culture and provide advice and counsel regarding career development, leadership, and technical assistance.

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[36] Department of Defense, "Keystone Program," DCMA-INST 621 (Washington, DC: Defense Contract Management Agency Human Capital Directorate (DCMA HCD), November 18, 2014, Administratively reissued December 5, 2016), https://www.dcma.mil/Portals/31/Documents/Policy/DCMA-INST-621.pdf.

[37] DCMA Public Affairs, "DoD Recognizes DCMA Workforce Innovation," Defense Contract Management Agency, January 10, 2018, https://www.dcma.mil/News/Article-View/Article/1412167/dod-recognizes-dcma-for-workforce-innovation/.

For the last decade, the Keystone program has been centrally funded and managed by DCMA headquarters, using funds from the Defense Acquisition Workforce Development Account (DAWDA) (formerly known as the Defense Acquisition Workforce Development Fund (DAWDF)). However, recent cuts to DAWDA have forced DCMA to shift funding into the agency's Operations and Maintenance (O&M) account. At the same time, the number of new hires through the program has been reduced to about 100 per year. The program has been popular with local organizations, who hold the billets and are responsible for placing graduates, but may become more problematic to maintain as DAWDA funding disappears and DCMA has to bear more of the cost.

3. DLA Entry-Level Career Program

DLA manages a global supply chain, supplying 86 percent of the military's spare parts and nearly 100 percent of the fuel and troop support consumable items needed by the military. DLA provides more than $42 billion in goods and services to the Department every year, supports more than 2,400 weapon systems, and manages about 5 million items.[38] DLA headquarters is located in Fort Belvoir, Virginia. It operates on a world-wide basis, with major subordinate commands in Philadelphia, Pennsylvania, Richmond, Virginia, Columbus, Ohio, New Cumberland, Pennsylvania, and Battle Creek, Michigan. The DLA has 26,000 employees and has hired an average of about 430 college graduates per year over the last five years.

DLA runs a two-year entry-level cohort-hiring program known as the PaCE program.[39] It brings on about 300 to 350 new hires per year through the PaCE program, making this program the agency's most important entry-level hiring tool. A management unit in Columbus, Ohio, consults with local DLA organizations to assess requirements and considers historical data on attrition and retention to predict annual recruiting needs for various career fields and locations. The PaCE program covers multiple career fields, addressing a broad array of capabilities needed by the agency. The larger locations generally take 25 to 50 new PaCE hires every year.

Unlike most DOD cohort-hiring agencies, DLA has traditionally relied exclusively on the competitive hiring process, although the agency has recently started to experiment with DHA for students and recent graduates. The Columbus office posts semi-annual hiring announcements through USAJOBS—the first in the spring for a cohort starting in July and the second in the fall for a cohort starting in February. DLA has found that this regular hiring rhythm mitigates concerns about a lengthy competitive hiring process with its delegated examining authority because a defined date of need allows the agency to build

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[38]   "DLA at a Glance," Defense Logistics Agency, https://www.dla.mil/AtaGlance/.

[39]   "DLA Pathways to Career Excellence (PaCE) Program," Defense Logistics Agency, https://www.dla.mil/ Careers/Programs/PacePgm.aspx. This program was previously known as the DLA Corporate Intern Program.

timelines that take into account expected bureaucratic delays. Recruiting and initial screening of candidates are handled centrally, but hiring decisions are made by local hiring managers.

The PaCE program includes OJT, cross-training, rotational assignments, and formal training (including classroom courses, distance learning, web-based training, conferences, and seminars).[40] It has been described as centrally planned, with local execution. It typically begins with six weeks of locally developed foundational training, which is designed to familiarize new hires with DOD, DLA, and the basics of the career field that they will be entering. Once local training has been completed, the PaCERs are shifted into career-specific training programs that run from eight to sixteen weeks and then transition to OJT with locally designed job rotations.[41] New hires typically enter the program at the GS-7 pay level and exit at the GS-11 or GS-12 level upon graduation.

The PaCE program includes conferences, seminars, field trips, and guest speakers (including DLA senior leaders). Each program participant is assigned a mentor and receives a personalized IDP to track career planning, professional development, and training activities necessary for successful program completion and graduation.[42] PaCE billets are all centrally funded, but individual participants are assigned to local organizations, which are responsible for placing them into permanent positions after graduation. DLA has consciously avoided heavy reliance on DAWDA funding for the program because of a concern that the budget could be cut at any moment. Instead, it has taken advantage of its working capital funding to focus labor dollars where they are needed and correctly size cohorts to anticipate business needs.

4. MDA MDCDP

The MDA's mission is to "develop and deploy a layered Missile Defense System to defend the United States, its deployed forces, allies, and friends from missile attacks in all phases of flight."[43] MDA headquarters is located in Fort Belvoir, Virginia. It has major operating locations in Huntsville, Alabama, Dahlgren, Virginia, Colorado Springs, Colorado, Fort Greely, Alaska, and Kirtland Air Force Base, New Mexico. The MDA employs

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[40] Leon Moore, "DLA PaCE Program Bringing in the Best of the Best in Quest for Superior Support to the Nation's Warfighters," Defense Logistics Agency, April 24, 2020, https://www.dla.mil/AboutDLA/News/NewsArticleView/Article/2163408/dla-pace-program-bringing-in-the-best-of-the-best-in-quest-for-superior-support/.

[41] Leon Moore, "DLA PaCEr Halfway to Fulfilling Career Milestone," Defense Logistics Agency, May 1, 2020, https://www.dla.mil/AboutDLA/News/NewsArticleView/Article/2172435/dla-pacer-halfway-to-fulfilling-career-milestone/.

[42] Billie Wayne Keeler and Brad Bunn, "Directive-Type Memorandum (DTM) 14-003 – DLA Pathways Program," (memorandum, Fort Belvoir, VA: Defense Logistics Agency, April 17, 2014, https://www.dla.mil/Portals/104/Documents/Careers/PathwaysProgram_DTM.pdf.

[43] "MDA Mission," Missile Defense Agency," last updated May 29, 2021, https://www.mda.mil/.

approximately 2,600 civilians and hired an average of 110 college graduates per year over the last five years.

The MDA runs a three-year entry-level cohort-hiring program known as the MDCDP for a wide range of professional occupations, including engineers, operations research analysts, acquisition managers, budget analysts, and accountants.[44] The program is centrally funded by the MDA, but local organizational units conduct interviews and make their own hiring decisions. Most positions are offered at Redstone Arsenal in Alabama, but a few are available in Colorado and Virginia.

Historically, the MDA has hired sixty to ninety recent college graduates per year through the MDCDP program, using funding provided by the DAWDF. In 2012, the program reportedly included 290 employees or roughly 10 percent of the total MDA civilian workforce.[45] MDA interviewees told the IDA team that MDCDP accounted for about 40 percent of MDA's new hires over an eight- to ten-year period beginning around 2010. In recent years, however, the DAWDA budget has been significantly reduced and MDA has begun to rely solely on its own funding for research, development, test and evaluation (RDT&E). As an apparent result, the program has been reduced to include just twenty-five to thirty new entrants per year.

The MDCDP program "consists of multiple rotations through major directorates, projects and programs of the MDA in order to provide participants with varied experiences and a broad view of the of the work of the agency."[46] Each program participant does at least three unique rotational assignments, which may include classroom and computer-based training and OJT through work assignments. Program participants are assigned mentors and sponsors who help them build relationships and navigate career requirements. MDA interviewees reported that the program also includes leadership meetings, capstone projects, and other teambuilding events.

New hires are brought into the MDCDP program at the GS-7 and GS-9 level and typically graduate into GS-11 and GS-12 positions. Upon completion of the program, most participants return to the organizational unit that hired them. However, the MDA also has a process by which managers can compete for talent coming out of the program. The MDA interviewees even described a "drafting" process for engineering candidates, who are asked to select their top three assignment choices as a basis for placement. In any case, MDCDP

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[44] "Missile Defense Career Development Program," Missile Defense Agency, last updated April 8, 2021, https://www.mda.mil/careers/jobs_entry_level.html.

[45] "Missile Defense Agency Just Hired 40 Entry-Level Engineers," UMBC Career Center, February 29, 2012, https://careers.umbc.edu/news/?id=12541.

[46] CEE Advising, "Job Opportunities with the Missile Defense Agency," *CEE Student News* (blog), University of Washington, August 31, 2016, https://blogs.uw.edu/ceadvice/2016/08/31/job-opportunities-with-the-missile-defense-agency/.

participants are expected to continue to develop expertise through a training and development program that extends long after graduation. A sales pitch for the program explains: "The MDCDP is a deliberate, strategic plan, implemented by MDA leadership, to 'grow' the next generation of Missile Defense leaders. With all sincerity, we are not offering jobs, we are offering careers!"[47]

B.   Military Department Programs

1.   Air Force PAQ and COP Programs

The Air Force has historically been more strongly focused on the development of its career civilian workforce than the other military departments, working to build civilian leaders in much the same way that it works to build military leaders.[48] Two Air Force cohort-hiring programs serve as an entry into this civilian career-building process: the PAQ program and the COP program. The PAQ program covers a variety of career fields, including financial management and logistics, but places a particular emphasis on science and engineering talent. The COP program is directed at developing contracting specialists. Air Force interviewees made it clear to the IDA team that the PAQ and COP programs are viewed as a vital element in Air Force efforts to acquire civilian talent and build civilian leadership.[49]

At present, the two programs account for approximately 900 new hires per year (about 800 for PAQ and an additional 100 for COP). Overall, these programs account for just under 20 percent of new hires with college degrees in the Air Force, which makes them the most significant cohort-hiring program in the military departments but still proportionately far smaller than cohort-hiring programs in the defense agencies. Air Force interviewees told the IDA team that the programs are far from meeting the Department's needs for new talent but that expansion efforts have stalled due to budget constraints. In the last administration, the Air Force established a new summer internship program for college students (the Premier College Internship Program (PCIP)), which may have absorbed some of the funding and leadership attention previously devoted to PAQ and COP.

The PAQ and COP programs are centrally funded by Headquarters, Air Force and are managed by the Air Force Personnel Center (AFPC) in conjunction with functional community managers for the relevant career fields. Each year, the Air Force puts out a data call to assess demand from the major commands (MAJCOMs) and to apportion PAQ and COP

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[47]   "Missile Defense Agency Just Hired 40 Entry-Level Engineers," UMBC Career Center.

[48]   See Jerry Pannullo et al, *2010 Defense Economics Conference: Managing the DoD Civilian Workforce*, IDA Document NS D-4315 (Alexandria, VA: Institute for Defense Analyses, December 2010), 13–14.

[49]   Personnel officials in other military departments told the IDA team that they would like to be able to run cohort-hiring programs like PAQ and COP, but their leadership has not been willing to make that level of investment in civilian employees.

slots based on available budget. Recruiting specialists in the Air Force Talent Acquisition Cell typically post notices, review résumés, conduct interviews in conjunction with subject matter experts, and develop a pool of program participants. However, local commands are responsible for making final selections and individual hiring decisions. Some commands prefer to run their own programs to maintain full control over their hiring processes, but the availability of headquarters funding makes the PAQ and COP popular with most Air Force organizations.

The PAQ and COP programs are two- to three-year rotational programs, with each functional area responsible for designing its own training plans to meet unique career development needs. All PAQ and COP programs offer a mix of formal training (classroom or online) and operational training assignments. Some career fields offer rotational assignments, but no uniform approach to the issue is in place. The Air Force does not provide a common set of team-building activities for the PAQ and COP programs; rather, individual functional communities build their own approaches. These approaches may include conferences, symposia, mission briefs, working lunches with leadership, and opportunities to present their work. The PAQ program even includes a STEM option that sends some participants back to school to obtain advanced degrees. Each career field is responsible for providing supervision, mentorship, and coaching to program participants to ensure that they have multiple sources for advice and career-building assistance.

New hires typically enter the PAQ and COP programs at the GS-7 or GS-9 level and graduate at a GS-13 level. Some attrition occurs during the program, but most participants graduate and are placed into full-time career positions. The MAJCOM that originally selected a PAQ or COP participant is responsible for placement after the individual graduates and comes off the central program billet. Graduates in the science and engineering fields have been placed in flight test centers, nuclear weapon centers, logistics centers, sustainment centers, and even high-tech organizations such as the Kessel Run software factory. Air Force interviewees told the IDA team that PAQ and COP graduates remain in Air Force civilian service at a significantly higher rate than new hires who are accessed through other recruiting approaches.

2. Naval Acquisition Development Program (NADP)

The NADP was established in the 1990s "to develop highly skilled professionals to meet projected DON Acquisition Workforce requirements."[50] The NADP includes a centrally funded, two- to three-year acquisition internship program that brings on new hires as a cohort, provides a mix of training and work experiences, and graduates them as certified acquisition professionals with expertise in career fields such as contracting, engineering,

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[50] Department of the Navy, "Naval Acquisition Development Program (NADP) Operating Guide," Version 6.0 (Washington, DC: Department of the Navy, May 2016), 9, https://www.secnav.navy.mil/rda/workforce/Documents/NADP%20Operating%20Guide.pdf.

life-cycle logistics, cost estimating, and business/financial management. Roughly 400 new hires enter the program every year, or about 5 percent of Navy new hires with college degrees. The Marine Corps participates in the program and receives an allotment of graduates. The IDA interviewees viewed the NADP program as an effective hiring tool, but it does not appear to play the central role in building civilian leadership that PAQ plays in the Air Force.

The NADP is centrally funded and administered through the Naval Acquisition Career Center (NACC) in Mechanicsburg, Pennsylvania. Participating commands recruit and select NADP participants, using direct hire and expedited hiring authorities. Positions are allocated to the systems commands based on demand and on available funding. Each new hire is assigned a "homeport" at the command that hired them, and this command agrees to provide full-time employment upon graduation. However, the NACC holds the billets and pays for the salary and training of NADP participants while they are in the program. Upon graduation, program participants return to their homeports, which pick up the cost of their salaries and are responsible for placing them in permanent billets.

NADP participants receive extensive training and exposure to the Navy mission through a program that includes full-time developmental jobs, OJT and classroom training, and rotational assignments in a variety of programs and locations. A Master Development Plan (MDP) for each career field and an IDP for each participant provide structured career planning to ensure that NADP graduates meet DAWIA training requirements, develop required career competencies, and have opportunities for further advancement.

Each NADP participant is assigned a homeport Career Field Manager (CFM), who provides formal guidance and assistance to ensure that all graduation requirements are met, and a mentor, who is expected to provide "honest, open answers to employee questions and non-formal career guidance."[51] NADP participants are invited to events with Navy leaders and team-building experiences such as carrier trips and squadron tours. Many work on "senior projects" that provide an opportunity to work directly with senior Navy personnel. Individuals typically enter the program at the GS-7 level and graduate at the GS-11 or GS-12 level. The rotational nature of the program provides participants with exposure to multiple career fields and an opportunity to find the best fit in the organization.

The Department of the Navy runs similar but much smaller internship programs for financial management and human resources career fields.[52] Navy interviewees told the IDA team that the financial management and human resources programs have been successful and have produced excellent employees. Both programs are centrally funded, and participants are centrally selected and then assigned to the MAJCOMs. Human

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[51] Ibid., 16.

[52] Department of the Navy, "Financial Management Career Program (FMCP)" (Washington, DC: Department of the Navy, n.d.), https://www.secnav.navy.mil/fmc/fmcp/Documents/FMCP-Flyer.pdf.

resources interns go through classes on issues such as staffing, compensation, and labor relations. These classes are interspersed with OJT and rotational assignments. Participants generally enter the program at the GS-7 level and graduate at the GS-11 level. However, the Naval Career Human Resources program was recently eliminated in a Navy cost-cutting drill. At the time that the IDA team had completed its field work on this project, Navy human resources officials were still trying to determine what to do with program participants who had completed the first year of the program but would not be funded for further training and graduation.

3. Army ACDP New Hire Program

The Army does not currently have a Department-wide cohort-hiring program like the Air Force's PAQ and COP programs or the Navy's NADP program. The Army recently developed a new "People Strategy" that is designed to "shift from simply 'distributing personnel' to more deliberately managing the talents of our Soldiers and Civilians."[53] The strategy includes four LOEs: (1) Acquire Talent, (2) Develop Talent, (3) Employ Talent, and (4) Retain Talent.[54] The Civilian Implementation Plan for the new strategy proposes a number of innovative steps to place greater focus on the talent acquisition and development but does not address the potential for attracting talent with the promise of a career-building, cohort-hiring approach.[55]

The Army has a new hire program under the ACDP, which has many of the characteristics of a cohort-hiring program. The ACDP program is a two-year program which brings on board roughly 700 new hires per year in a range of career fields, including science, engineering, technology, logistics, contracting, and human capital management (roughly 10 percent of Army new hires with college degrees). It appears that the size of the program was established at some point in the past and has been rolled over without change over a number of years. Army interviewees were not aware of any recent requirements analysis to assess program size.

While participants in the ACDP new hire program benefit from a variety of training and education programs, most are hired as individuals rather than as a cohort. The exception is the logistics component of the program, which brings on 150 new hires annually as cohort hires. ACDP billets are centrally funded, and billets are allocated to career fields and commands. However, program requirements are established by career field managers,

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[53] United States Army, *The Army People Strategy*, 2.

[54] Ibid., 6–8.

[55] United States Army, *Army People Strategy Civilian Implementation Plan* (Washington, DC: Headquarters, Department of the Army, 2020),
https://www.milsuite.mil/book/servlet/JiveServlet/previewBody/840683-102-1-1393494/Final%20Army%20People%20Strategy%20Civilian%20Implementation%20Plan.pdf,
(requires CAC card to access).

and hiring decisions are made by local commands. The program has historically used a mix of competitive hiring and direct hiring, but Army interviewees told the IDA team that the Army prefers direct hiring when the authority is available. With the recently enacted authority for the direct hiring of students and recent graduates, DHA is now available for most ACDP new hires.

The ACDP new hire program provides a mix of training and work experience that is not dissimilar to a cohort-hiring program except that it is provided on an individual basis. New hires are expected to participate in an orientation program (generally about a week long) when they are first hired, receive at least forty hours of formal interactive training per year, and complete applicable career program training requirements. Program participants are supposed to receive mentorship throughout the program, and an IDP is established for each participant. New hires typically enter the program at the GS-7 level and graduate at the GS-11 level. The hiring command is responsible for finding appropriate billets in which to place program graduates.[56]

Because the ACDP new hire program is essentially an individual hiring program, it does not appear to offer the kind of team-building experiences, seminars, and exposure to leadership that cohort-hiring programs are able to offer. As noted previously, the one exception is the logistics component of the program, which brings on new hires for an eighteen-month program based at Fort Lee, Virginia, before sending them to their permanent duty locations. New hires in logistics "are assigned to a program manager who coaches, teaches, and mentors them through the process."[57] The program schedule includes four months of basic logistics studies, four months of logistics leader training (including participation in a Sustainment Warrior Field Training Exercise), four months of OJT, and six months of broader training and team-building activities that address issues such as conflict management, presentation and briefing techniques, and communications and writing skills.

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[56] Army regulations describe a predecessor program, the Army Civilian Training, Education, and Development System (ACTEDS) Intern Program (see U.S. Army, *Career Program Management*, Army Regulation 690-950 (Washington, DC: Headquarters, Department of the Army, 16 November 2016), https://armypubs.army.mil/epubs/dr_pubs/dr_a/pdf/web/ar690-950_web_final.pdf). Army interviewees stated that the regulation is currently being revised to correctly reference the name of the program and update the description of program requirements.

[57] Carey W. Radican, "Department of the Army Logistics Intern Program," U.S. Army, April 30, 2015, https://www.army.mil/article/106151/Department_of_the_Army_Logistics_Intern_Program/.

5. Best Practices

IDA interviewees described a number of best practices that are common to successful cohort-hiring programs. These practices include the use of predictive requirements analysis, common training and education programs to orient cohort hires to the organization and the mission, structured OJT (including rotational assignments), readily available assistance from mentors and coaches, and common activities to build group cohesion and networks.

Table 5 shows some of the best practices most commonly shared by representatives of cohort-hiring agencies during IDA interviews.

Table 5. Best Practices Identified Through Interviews

Organization	Training and Education	Job Experience	Mentors and Coaches	Group Experiences
DCAA (Auditors)	Audit institute courses	OJT rotates with training	Coaches, mentors, sponsors	
DCMA (Keystone)	Acquisition workforce training	Year 1: 75% training, 25% OJT Year 2: 25% training, 75% OJT	Mentors	Meetings with agency leaders, senior staff meetings
DLA (PaCE)	Structured training	OJT rotates with training	Mentors	Conferences and seminars
MDA (Career Dev)	90 days training over 3 years	20% training, 80% OJT	Sponsors, mentors	Seminars, team-building, capstone projects
Air Force (PAQ/COP)	Career-specific training	OJT rotates with training	Mentors, coaches	Symposiums, leadership meetings
Navy (NADP)	Structured training	OJT rotates with training	Mentors, coaches, managers	Briefings, travel
Army (ACDP)	Career-specific training	Career-specific requirements	Mentors, coaches	

A. Predictive Analysis

First, an effective cohort-hiring program requires a critical mass of new hires in positions that are similar enough that they can benefit from a common program. For this reason,

all the DOD cohort-hiring programs identified by IDA focus on entry-level hires who can be brought up to speed as a group, with most participants coming directly out of college. Many of the programs are timed to bring in students and recent graduates around the time of spring and/or winter graduations. The DCAA program is unique in that it is designed exclusively for new auditors, some of whom who come to the program with more real-world experience.

Cohort hiring is a forward-looking process that requires predictive analysis to ensure that annual cohorts are appropriately sized to sustain the workforce and do not saddle the organization with excess employees. Predictive analysis does not come naturally to DOD organizations, which generally leave civilian succession planning up to local hiring author-ities, who may wait for a position to become open before looking for a replacement. As noted in Chapter 2, one interviewee told the IDA team that "DOD doesn't do workforce planning well for civilians." Another stated that her military department had tried to iden-tify new requirements and anticipate workforce turnover to generate lead time for hiring, but the process did not work well, because the commands were unable to make effective predictions.

Each of the DOD cohort-hiring organizations identified by the IDA team has devel-oped a system to size its cohorts by partnering with local units to identify new hire needs across the organization. This process typically begins with a data call, pursuant to which a central governing body determines how many new employees each functional community will need in each local command or activity. These requirements are then rolled up, prior-itized, and matched to available budgets. Predictive hiring appears to work best at DCAA and DLA, which supplement requests from local commands with analysis of trends in attrition and demand. DLA, with its logistics expertise, characterizes its assessment process for new hiring needs as key element in the "human supply chain."

This level of analysis enables DCAA to bring on 85 percent of its new hires, and 100 percent of its new auditors as cohort hires, while DLA brings on roughly two-thirds of its new hires with college degrees as cohort hires. Other DOD cohort-hiring programs rely more heavily on data calls from local organizations rather than forward-looking analysis of attrition and demand. These programs are budget constrained, which makes them much smaller in proportion to the number of new hires. While these smaller programs leave a greater margin for error and avoid the risk of failing to place program graduates, they do so by routinely undersizing their cohorts so that they meet only a fraction of the need.

B.   Common Training and Education Programs

One of the major advantages of cohort hiring is that it brings together a critical mass of new hires who can be brought up to speed together. Each of the DOD cohort-hiring programs reviewed by the IDA team includes a formal training and education process that is designed to prepare participants for their new careers.

At DCAA, for example, new hires are sent to the Defense Contract Audit Institute. In their first year, they are introduced to audit concepts and contract auditing and then attend courses on basic contracting, audit skills, and audit applications. During their second and third years, they take a mandatory course on Fundamentals of Systems Acquisition Management, along with several elective courses. Before graduating, program participants are expected to achieve certifications in acquisition, financial management, and GAGAS.

Similarly, cohort hires in acquisition fields are provided all the training that they need to become fully certified under the DAWIA before graduating from the program. In the contracting field, for example, the requirements include classroom and virtual courses on contracting fundamentals, contract planning, small business, contract execution, contract management, cost and price analysis, the source selection process, contract negotiation techniques, and other subjects. At DCMA, which is an acquisition agency, interviewees reported that participants in the Keystone program spend roughly 75 percent of their time in training the first year, dropping to 25 percent of their time later in the program.

Cohort-hiring programs in other career fields impose similar training requirements. For example, participants in the Navy's Human Resources Career Internship Program are expected to take classes on issues such as staffing, compensation and labor relations, interspersed with OJT and rotational assignments. Participants in the Army Logistics Intern Program—the one element of the ACDP program that uses a cohort-hiring approach—receive four months of basic logistics studies, four months of logistics leader training (including participation in a Sustainment Warrior Field Training Exercise), and six months of training in areas such as conflict management, presentation and briefing techniques, and communications and writing skills.

These training programs also generally come with a service commitment, with participants required to serve up to three weeks for every week of training that they receive. More importantly, the structured training component of cohort-hiring programs enables participants to see a clear path to promotion and career advancement from the moment that they begin the program. Participants in these programs typically begin around the GS-7 level and graduate fully trained at the GS-11 level or higher.

Many of the training and education requirements described previously are not unique to cohort hiring. For example, acquisition workforce hires must meet the same DAWIA certification requirements regardless of whether they go through a cohort-hiring program or are hired as individuals. Nonetheless, training as a cohort may bring added benefits since it provides an opportunity for new hires to get to know each other and build the networks that will serve them throughout their professional careers. In addition, as one DCAA interviewee pointed out, students who are grouped together over an extended period have an opportunity to learn from each other and to see how they rank against their peers.

C. Guided OJT and Rotational Programs

Even when training requirements are standardized, cohort-hiring programs provide a unique opportunity to structure on-the-job assignments that tie into and build on classroom training. DOD frequently fails to optimize civilian training, because individuals completing classroom or virtual learning experiences are placed into the same jobs that they were doing before, which may bear no relationship to the training. Cohort-hiring programs, by contrast, can be built around a planned sequence of formal education and OJT that are designed to build on each other.

In fact, most DOD cohort programs require a MDP setting forth the requirements that all new hires in a career field are expected to meet, and an IDP, setting forth the formal education and OJT steps that the particular participant will take to meet those requirements.

DCAA new hires start with two weeks of introductory training before being sent to their assigned offices for six to eight weeks of getting to know their colleagues and beginning the process of OJT. This introductory period is followed by a second two-week course at the audit institute, another sixty days on OJT, and a third two-week course. Additional periods of formal training and supervised work experience follow. New hires do not go through formal job rotations, but local supervisors are expected to provide OJT that shows them different types of audits and audit functions so that they have an opportunity to develop and find their best fit in the organization.

In DCMA's Keystone program, each career field has a "learning map" designed to ensure the achievement of required training and competency levels, and each individual participant has an IDP, including work and training objectives. Work assignments in the Keystone program are consciously designed to ensure that participants develop functional competencies needed to perform as acquisition professionals. Geographic rotational assignments include a handful of international assignments for third-year Keystones. DCMA interviewees reported that the variety and complexity of work experience in the program are important selling points for new recruits.

DLA's PaCE program includes on-the-job assignments, cross-training, rotational assignments, and formal training (including classroom courses, distance learning, web-based training, conferences, and seminars). The program has been described as centrally planned, with local execution. It typically begins with six weeks of locally developed foundational training, followed by career-specific training programs that run from eight to sixteen weeks, then transition to OJT with locally designed job rotations. Each program participant receives a personalized IDP to track career planning, professional development, and training activities necessary for successful program completion and graduation. Rotational assignments continue even after program graduation.

MDA's cohort-hiring program "consists of multiple rotations through major directorates, projects and programs of the MDA in order to provide participants with varied experiences and a broad view of the of the work of the agency." Each program participant completes at least three unique rotational assignments, which may include classroom and computer-based training and OJT through work assignments. MDCDP participants are expected to develop expertise through a five- to eight-year training and development program that continues long after graduation.

The Air Force's PAQ and COP programs are two- to three-year rotational programs, with each functional area responsible for designing its own training plans to meet unique career development needs. All PAQ and COP programs offer a mix of formal training (classroom or online) and operational training assignments. Some career fields offer rotational assignments, but no uniform approach to the issue is in place.

Participants in the Navy's NADP program receive training and exposure to the Navy mission through a program that includes full-time developmental jobs, OJT and classroom training, and rotational assignments in a variety of programs and locations. An MDP for each career field and an IDP for each participant provide structured career planning to ensure that NADP graduates meet DAWIA training requirements, develop required career competencies, and have opportunities for further advancement. Similarly, the Navy's financial management and human resources cohort-hiring programs are designed to intersperse formal training with field experience. Local managers are expected to coordinate assignments so that these assignments build on what has been learned in the classroom.

D.   Mentors, Sponsors, and Coaches

The traditional DOD hiring approach, with each new hire brought on individually on a position-by-position basis, carries the risk that some new employees will be left on their own and receive little organized assistance. Cohort-hiring programs attempt to move beyond the "sink or swim" approach by enabling new hires to come together and build a connection to the organization as a group. Interviewees from outside organizations and affinity groups told the IDA team that new employees need connections not just with each other, but also with existing employees. DOD cohort-hiring organizations attempt to build such a connection through established processes such as coaching and mentoring relationships.

One DOD interviewee told the IDA team that it does not matter how good the new hires are—or how good the training is—if existing employees do not help make program participants productive members of the organization. This interviewee pointed to coaching and mentoring as key elements in building and retaining successful civilian employees.

DCAA appears to have the one of the most complete programs to connect cohort hires with existing employees, with a coach, mentor, and sponsor assigned to each new employee. In the DCAA program, the sponsor is the manager or supervisor who has formal responsibility for the new employee. A coach works with the employee on a non-supervisory basis to help a new hire build specific skills and successfully complete the training program. A mentor works with the employee on organizational fit to help the employee interact with supervisors and build relationships in the workplace. It is important that coaches and mentors are *not* supervisors so that they can provide informal advice and assistance without judging the employee's performance or adversely impacting performance appraisals.

Other DOD organizations with cohort-hiring programs also appear to recognize the importance of mentors and coaches:

- Each DCMA program participant is assigned a mentor, who is expected to provide a bridge to DCMA culture and provide advice and counsel regarding career development, leadership, and technical assistance.

- DLA program participants are assigned mentors.

- MDA program participants are assigned mentors and sponsors.

- Under the Air Force PAQ program, each career field establishes its own requirements for supervision, mentorship, and coaching.

- Each NADP participant is required to be assigned a homeport CFM, who provides formal guidance and assistance and ensures that all graduation requirements are met, and a mentor, who is expected to provide "honest, open answers to employee questions and non-formal career guidance."[58]

- New ACDP hires in logistics (the cohort-hiring part of the program) are expected to be "assigned to a program manager who coaches, teaches, and mentors them through the process."[59]

Mentoring and coaching are not unique to cohort-hiring organizations. These important elements of a working relationship are also present in other DOD organizations. However, cohort organizations appear to provide a favorable setting for such relationships because of the structured nature of their hiring programs. DOD interviewees described coaching and mentoring as a key element of cohort hiring.

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[58] Department of the Navy, "Naval Acquisition Development Program (NADP) Operating Guide," 16.

[59] Radican, "Department of the Army Logistics Intern Program."

E. Common Activities to Build Cohesion and Networks

Cohort hiring offers a unique opportunity to bring new hires together, make them feel like a valued part of the organization's workforce, and inculcate them with the importance of the organization's mission and values. To this end, most cohort-hiring programs include a variety of group activities and teambuilding programs. In a Department where employees are hired on a position-by-position basis, training is haphazard, and civilian employees are sometimes an afterthought, these programs and events provide a rare opportunity to build a more connected and motivated workforce.

In the Air Force, functional communities and commands are expected to provide appropriate events for their new hires under the PAQ and COP programs. These events may include conferences, symposia, mission briefs, and working lunches with leadership. Some functional communities provide week-long operational training assignments for selected groups of PAQ interns, who are able to attend mission briefs and gain a broader understanding of how the Air Force operates. Others have an opportunity to present their work at conferences. The PAQ program even includes a STEM option that sends some participants back to school to obtain advanced degrees. Air Force interviewees told the IDA team that the program builds lasting relationships and "a lot of trust." Exit surveys specifically ask about program activities and teambuilding. If these types of events are not occurring or there appears to be an emotional disconnect, senior leadership will step in and tell organizations to adopt best practices.

DCAA interviewees did not report any special group activities, but the other cohort-hiring programs reviewed by the IDA team all did. For example,

- The DCMA Keystone program includes boot camps and a handful of highly sought-after international rotational assignments. The program also includes special events, such as meeting with agency leaders and opportunities to attend senior staff meetings.

- The DLA PaCE program includes conferences, seminars, field trips, and guest speakers (including DLA senior leaders). DLA interviewees reported that DOD's ability to attract quality recruits is based on culture and how they invest in their people. The developmental aspects of the PaCE program are a key element in that mix.

- The MDA cohort-hiring program includes leadership meetings, capstone projects, and other teambuilding events.

- NADP participants are invited to events with Navy leaders and teambuilding experiences such as carrier trips and squadron tours. Some participants also develop "senior projects" that provide an opportunity to work directly with senior Navy personnel. Kickoff and graduation events are also used to help build

connection and comradery. Navy interviewees report that the exposure partici-
pants get to each other and across the Navy is one of the main benefits of the
program.

Because the ACDP new hire program is essentially an individual hiring program, it
does not appear to provide the kind of team-building experiences, seminars, and exposure
to leadership that cohort-hiring programs are able to offer.

6.   Benefits

IDA interviewees described a number of benefits that they attribute to their cohort-hiring programs. These include attracting higher quality recruits, ensuring the best organizational fit for new employees, building group cohesion and identity, and bringing greater efficiency to hiring and training processes. The IDA team noted that interviewees placed a far greater emphasis on the first three types of benefits (new hire quality, fit, and connectedness) than on efficient processes. Table 6 summarizes the interviewee comments on these subjects.

Table 6. Cohort-Hiring Benefits Identified Through Interviews

Organization	Quality of New Hires	Finding the Best Fit	Cohesion and Group Identity	Efficient Processes
DCAA (Auditors)	Very happy with quality	Helps avoid pigeon-holing		Smooth, effective hiring process
DCMA (Keystone)	Attracts high-quality recruits	Showcases variety of work	Develop a group identity	
DLA (PaCE)	Helps sell recruits on DLA	Recruits gravitate to best fit	Cultural impact, connections	Time-to-hire, training efficiency
MDA (Career Dev)		Mutual process finds best fit	Builds a career, not just a job	
Air Force (PAQ/COP)	Infuses fresh talent, increases retention	Recruits gravitate to best fit	Adapt to Air Force culture, build relationships	
Navy (NADP)	Attracts top-quality students	Opportunity to find best fit	Exposure across Navy helps retention	

Each of these benefits was confirmed, in at least some measure, by IDA's review of personnel data. While the interview evidence for benefits is strong, the statistical evidence is relatively weak on most measures. The relative weakness of the statistical data is likely due to the indirect nature of the evidence, which requires a comparison of large agencies with many unique features to try to draw conclusions about a single set of programs. Each of the reported benefits is discussed, in turn, in Sections 6.A–6.D.

A. Quality of New Hires

IDA interviewees expressed a high degree of satisfaction with new hires accessed through their cohort-hiring programs. Survey data support these interview results, which indicate that managers and employees of cohort-hiring agencies are more satisfied with the quality of new hires than managers and employees of the military departments and other defense agencies.

One interviewee told the IDA team that cohort hires, while generally of high quality, were not as strong as graduates of the Science, Mathematics, and Research for Transformation (SMART) scholarship program under which the Department pays for students to obtain STEM degrees in exchange for a service obligation. In general, however, employees coming out of cohort-hiring programs were favorably compared to new hires from other sources. For example,

- DCAA interviewees stated that their cohort-hiring program brings in high-quality candidates who are well trained. A few poor performers are weeded out in the course of the program, but, in general, supervisors have been very satisfied with the quality of employees who graduate and become auditors.

- DCMA interviewees stated that reports from the field are generally favorable and that most supervisors expect Keystones to rise into leadership positions. It is unusual to hear about underperformance from a Keystone graduate. In fact, interviewees reported that the highest attrition factor for Keystone graduates is poaching by other defense agencies, which, however, is viewed as a success because it benefits the Department and reflects favorably on the strength of the program.

- DLA interviewees reported that the agency is able to attract good people because of its culture and its willingness to invest in people, which are reflected in the agency's cohort-hiring program. This investment provides leadership development opportunities and opens doors for productive careers, making it a big selling point for DLA.

- Air Force interviewees told the IDA team that the PAQ and COP programs are a vital force renewal mechanism because they infuse fresh talent into the workforce (i.e., younger workers with more diversity of thought than would otherwise be available to the department). Cohort-hiring programs show a clear professional development path by providing young people with an understanding of how they can move up and incentivizing them to stay longer. As a result, PAQ and COP graduates tend to stay with the Air Force longer. They also share positive feedback with their professors and fellow students, thus helping to build pipelines for future recruiting.

- Navy and Marine Corps interviewees indicated that graduates of cohort-hiring programs are highly skilled and that they never get complaints about quality. NADP graduates are considered to be well prepared for their positions, and numerous graduates have risen to senior positions in the department.

The data that the Department collects about its employees provide a limited basis on which to judge the quality of new hires. The IDA team reviewed publicly available FedScope data from 2016 to 2020 to assess the age, educational attainment, and salaries of new hires in cohort-hiring agencies and other elements of the Department.[60] However, these data do not distinguish between cohort hires and other new hires in cohort-hiring agencies. As a result, cohort-hiring agencies mix the data of the relatively junior, entry-level cohort hires with the data of other new hires who are likely to enter the workforce at more senior levels, which makes it difficult to reach firm conclusions about the age, salary, and educational attainment of cohort hires.

Figure 1 shows that new hires with college degrees[61] in cohort-hiring agencies are roughly comparable in age to new hires with comparable degrees in the military depart-ments and other defense agencies. Figure 2 shows that new hires with college degrees in cohort-hiring agencies are roughly comparable in levels of educational attainment to new hires in the military departments and other defense agencies. Figure 3 shows that new hires with college degrees in cohort-hiring agencies are, on average, paid slightly less than new hires in the military departments and other defense agencies.

Because of limitations in the data, IDA was not able to compare new hires who were brought into the workforce through cohort-hiring programs with other new hires in the same agencies. The data did not reveal any causes for the slightly different patterns of age, educational attainment, and starting salaries of new employees in different components of the Department, and further research on this issue was beyond the scope of this assessment. As a result, IDA was not able to reach any firm conclusions about the comparison of the objective quality of cohort hires to other new hires in the Department.

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[60] The sample was limited to employees with career (competitive service permanent), career-conditional (competitive service permanent), schedule D (excepted service permanent), and other (excepted service permanent) types of acquisition. To keep from double counting observations within a year, the June data were used for each year. For salary figures, observations with missing salary data were filled in with the midpoints of their salary bin range. If the bin was the top or bottom bin, missing salary observations were not replaced. New hires are defined as those with less than one year of experience.

[61] IDA limited the universe to new hires with college degrees because DOD cohort-hiring programs focus almost exclusively—if not exclusively—on college graduates.
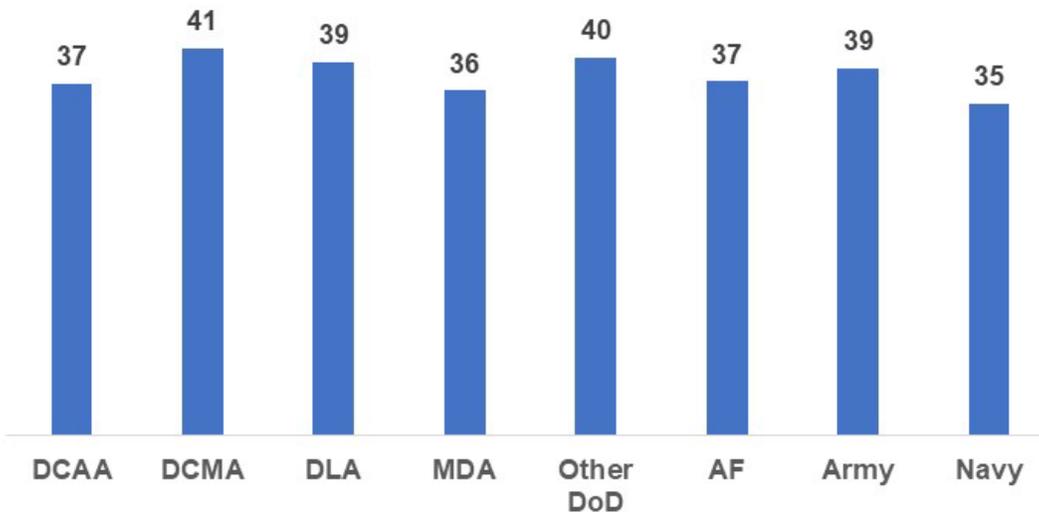
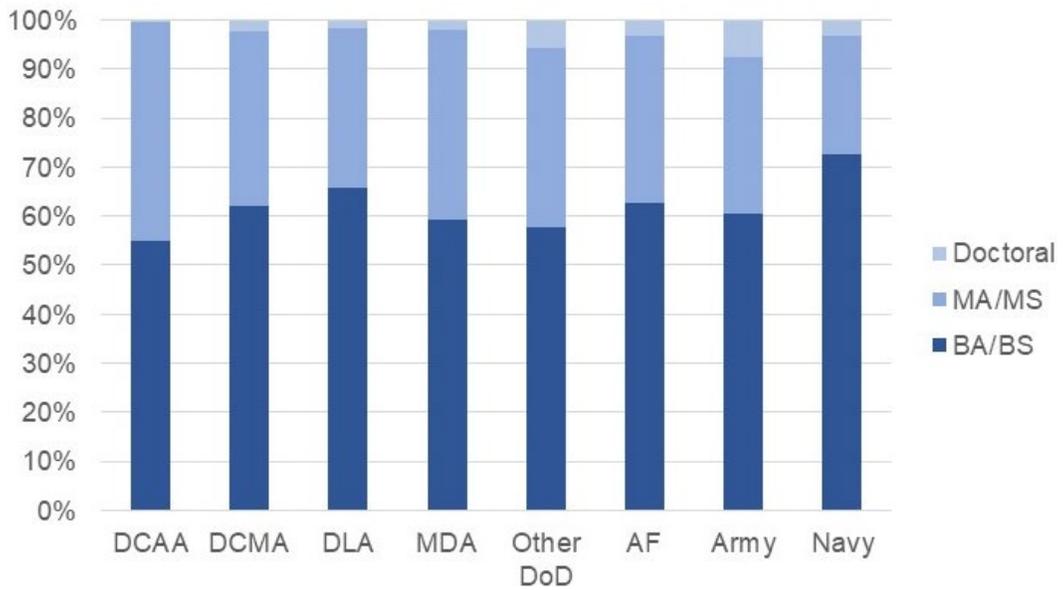**Figure 1. Average Age of New Hires by Agency**

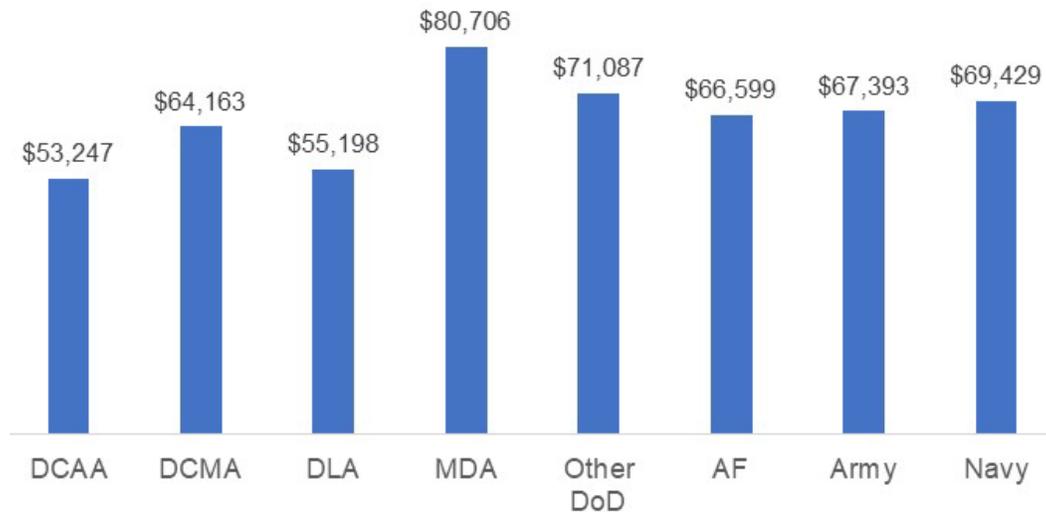**Figure 2. Percentage of Degrees Among New Hires by Agency**

Figure 3. Average Salary of New Hires by Agency

Data from the FEVS survey, however, provide positive evidence that cohort-hiring agencies are more satisfied with the quality of their new civilian hires than the military departments or other defense agencies. Figure 4 shows how the 2019 FEVS participants responded, by organization type, to the question "My work unit is able to recruit people with the right skills." The left panel shows the responses from all respondents, and the right panel shows the responses from individuals who identified themselves as supervisors. In DOD cohort-hiring agencies, 52 percent of respondents agreed[62] that they could recruit people with the right skills. In comparison, only 44 percent of other DOD respondents and 43 percent of non-DOD respondents agreed. When considering only the supervisors' responses, 58 percent of supervisors in DOD's cohort-hiring agencies agreed compared to 47 percent each in other DOD and non-DOD agencies.

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[62] For simplicity, we say respondents agreed if they answered either "Agree" or "Strongly Agree" to survey questions in the FEVS.

| All Respondents | Supervisors |
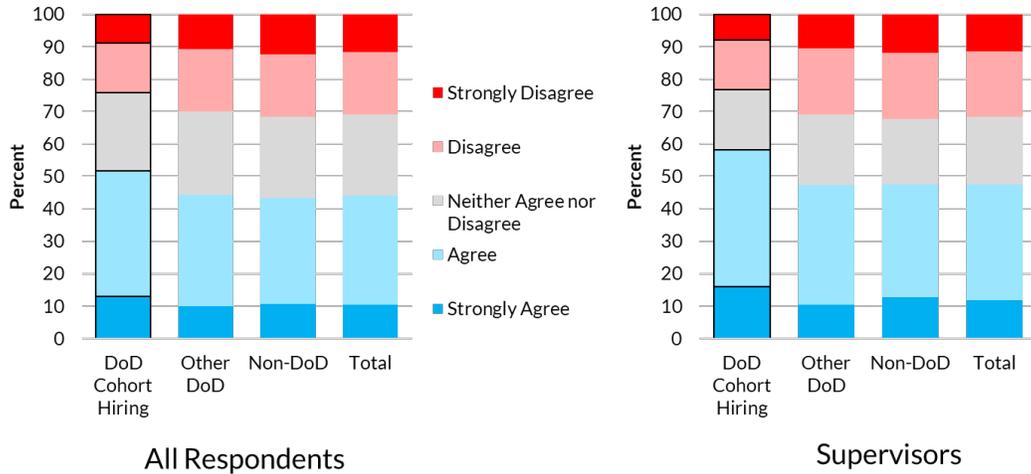
Note: Weighted[63] responses to "My work unit is able to recruit people with the right skills" (Aggregated Categories).

Figure 4. Employee Views of Recruiting Success by Agency Category

Figure 5 shows responses to the same question about the ability to recruit people with the right skills but is broken out into wider categories of agencies. The top panel shows the distribution of responses from all respondents, while the bottom panel shows the distribution of responses from supervisors. While all the individual DOD cohort-hiring agencies exceed the DOD average of 52 percent positive responses, DCMA and DCAA have the highest agreement, with 54 percent of respondents in DCMA and 63 percent of respondents in DCAA agreeing that they are able to recruit individuals with the right skills. In comparison, 49 percent of DLA respondents and 47 percent of MDA respondents agree, which is only slightly higher than the 45 percent agreement in the rest of the Fourth Estate.

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63   This figure and subsequent figures based on FEVs data are weighted according to FEVS-provided analysis weights. OPM explains the weighting as follows:

> The process of weighting refers to the development of an analysis weight assigned to each respondent to the 2019 OPM FEVS. The weights are necessary to achieve the survey objective of making unbiased inferences regarding the perceptions of the full population of Federal employees. Without the weights, the OPM FEVS could result in biased population estimates. While the 2019 OPM FEVS was a census and all employees had an equal probability of being selected to participate, nonresponse remains a source of potential bias (and imprecision) in the 2019 OPM FEVS estimates. In an ideal scenario, all members of the survey sample receive the survey invitation and complete the survey. In practice, however, some survey cases cannot be located (e.g., undeliverable emails) and others who receive the survey do not complete it. Undeliverable survey invitations as well as varying response rates across subgroups of employees occurred during the 2019 OPM FEVS. Analysis of data from the 2019 OPM FEVS therefore still requires the use of weights to adjust for survey nonresponse and to match known population control totals. See Office of Personnel Management, *2019 Office of Personnel Management Federal Employee Viewpoint Survey* (Washington, DC: OPM, December 2019), 24, https://www.opm.gov/fevs/reports/technical-reports/technical-report/technical-report/2019/2019-technical-report.pdf.

All Respondents
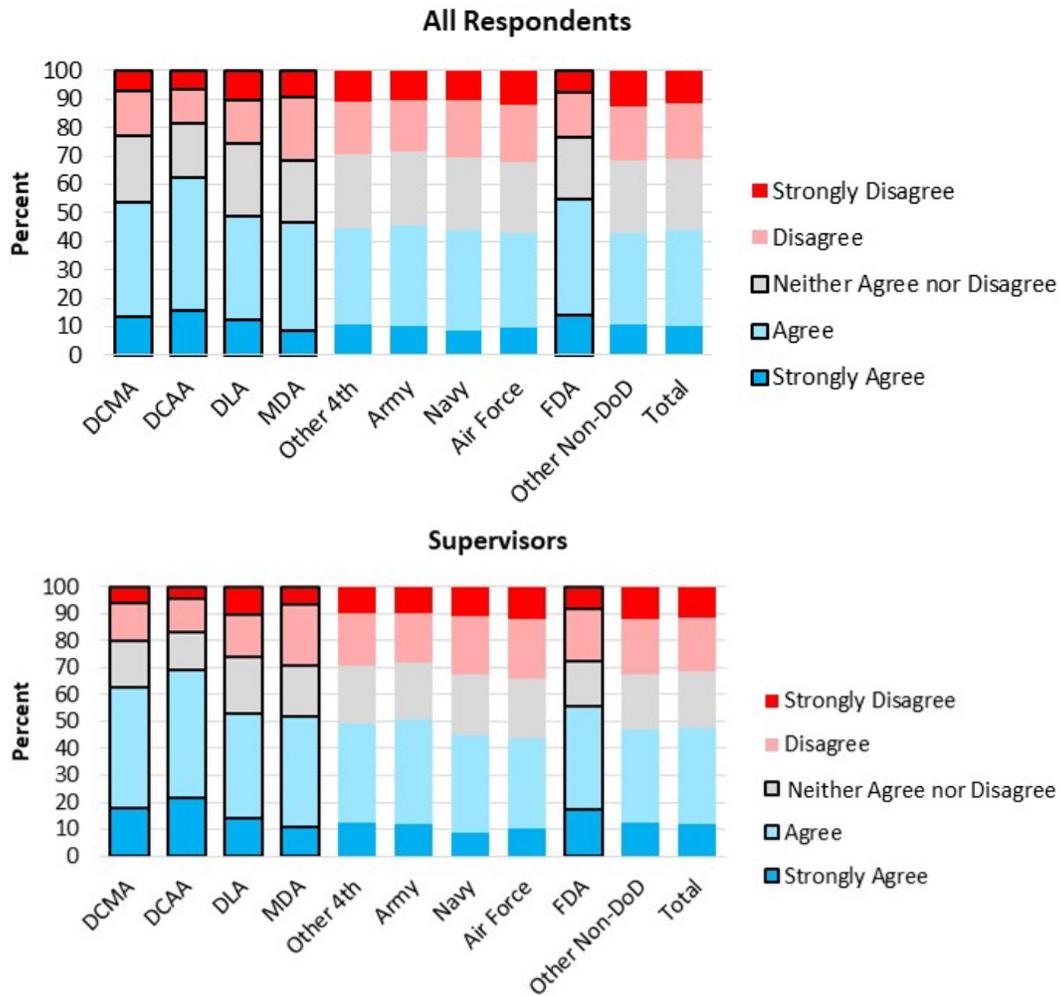
Supervisors

Note: Weighted responses to "My work unit is able to recruit people with the right skills" (Wide Categories).

Figure 5. Employee Views of Recruiting Success by Agency

The pattern is consistent when considering responses from only supervisors: 63 percent of DCMA supervisors and 69 percent of DCAA supervisors agree that they can recruit people with the right skills compared to 53 percent in DLA, 52 percent in MDA, and only 49 percent in the rest of the Fourth Estate. The FDA again exceeds the average of non-DOD agencies, with 55 percent of all respondents (56 percent of supervisors) agreeing that they can recruit people with the right skills compared to 43 percent of all respondents (47 percent of supervisors), on average, agreeing across all other non-DOD agencies. While not conclusive evidence, these patterns of responses are broadly consistent with the findings from our interviews that cohort hiring improves agencies' abilities to recruit high-quality individuals.

B. Finding the Best Fit

Economists studying labor markets have reported that a centralized market process can be more efficient than a decentralized process in allocating people to positions based on skills and capabilities.[64] However, not all centralized market processes are equal. To run an efficient cohort-hiring program, the literature suggests that the process of allocating cohort members to positions should consider the following:

- Take into consideration employer preferences for employees and/or employee preferences for positions,

- Establish a large pool of participants (positions and cohort hires) to increase the chances that participants are happy with the outcomes of the allocation,

- Make it safe for participants to reveal their true preferences regarding positions (for cohort hires) and employees (for positions) so that they do not try to manipulate the process,

- Prevent congestion of decision-making processes so that the placement decisions can be made in a timely manner, and

- Observe and refine the system over time.[65]

Several IDA interviewees confirmed that cohort-hiring processes, especially when managed in conjunction with rotational assignments, help ensure that new hires are placed in positions that work best for the individual and the organization. For example,

- An Air Force interviewee told the IDA team that the PAQ program provides time for new hires and managers to find a mutually good fit.

- A Navy interviewee reported that NADP rotational assignments serve a professional development purpose but also help employees to settle in where their knowledge and skills fit best. It is not assumed that individuals are hired for a specific job; rather, they move toward an area of employment after about a year.

- A DLA interviewee stated that cohort hiring gives new hires an opportunity to gravitate toward tasks that they like to do and provides managers with an opportunity to see what they gravitate toward.

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[64] Muriel Niederle and Leeat Yariv, "Decentralized Matching with Aligned Preferences," NBER Working Paper Series, Working Paper14840 (Cambridge, MA: National Bureau of Economic Research, April 2009), https://www.nber.org/system/files/working_papers/w14840/w14840.pdf.

[65] Alvin E. Roth, "The Art of Designing Markets," *Harvard Business Review*, October 2007, https://hbr.org/2007/10/the-art-of-designing-markets; Alvin E. Roth. "What Have We Learned from Market Design?" *Innovations: Technology, Governance, Globalization* 3, no. 1 (2008): 119–147, https://doi.org/10.1162/itgg.2008.3.1.119; Alvin E. Roth, "Marketplaces, Markets, and Market Design," *American Economic Review* 108, no. 7 (July 2018): 1609–1658, doi:10.1257/aer.108.7.1609.

- A DCMA interviewee stated that cohort hires are exposed to different customers and product areas and that the wide variety of work with different degrees of complexity is a major selling point for millennials.

- An MDA interviewee stated that initial placements are driven by functional manager assignments, but managers often have to compete for top talent, which gives employees a voice in where they will be placed.

- Similarly, a private sector employer reported that its cohort-hiring program exposes participants to as many as four different assignments, which provides new hires who are not sure where they want to end up an opportunity to figure out their ideal assignment before they have to make a choice.

IDA was unable to identify any personnel data that measure how effectively new employees are placed within a hiring organization. However, FEVS survey data provide extensive information on employee satisfaction with available training and development opportunities. The 2019 FEVS asked employees a range of questions related to employee development. In the discussion that follows, we report responses to four of these questions:

- "I am given a real opportunity to improve my skills in my organization,"

- "My training needs are assessed,"

- "Supervisors in my work unit support employee development," and

- "How satisfied are you with the training you receive for your present job?"

Generally, the data show that cohort-hiring agencies do at least as well—and in some cases slightly better—than other components of the Department on these metrics related to training and employee development.
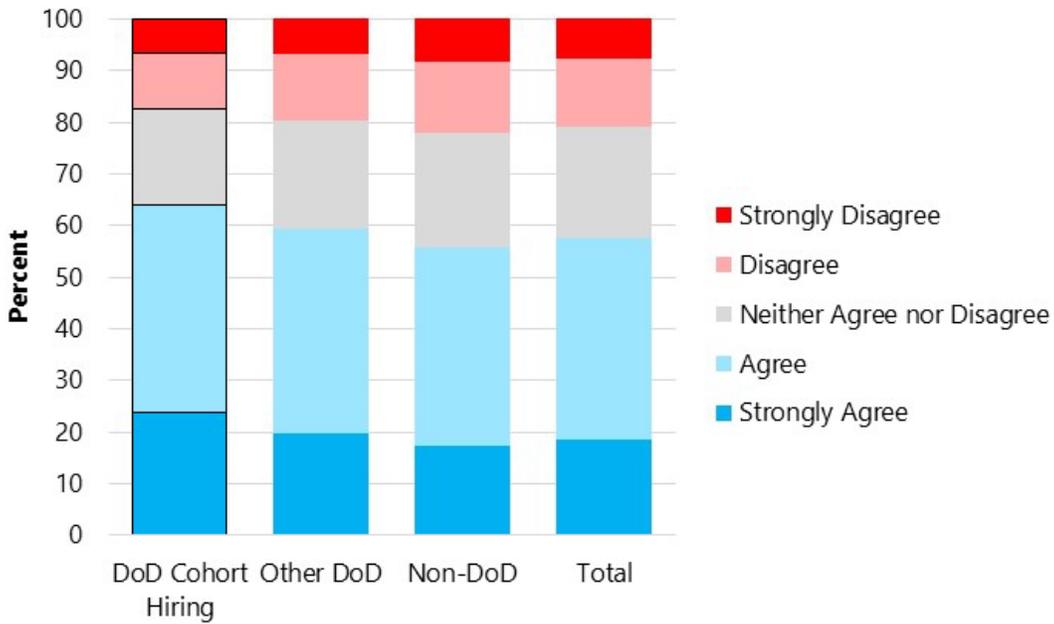
Figure 6 shows the distribution of responses from individuals hired within the past ten years, by aggregated categories, to the FEVS question "I am given a real opportunity to improve my skills in my organization". It shows that respondents in DOD's cohort-hiring agencies are slightly more likely to agree (72 percent) that they have opportunities to improve their skills as individuals than employees in other parts of the government (70 percent for other DOD employees and 67 percent for employees in non-DOD agencies). While DLA and MDA at 68 percent and 72 percent agreement, respectively, are only slightly higher than the 66 percent agreement in the rest of the Fourth Estate, respondents in DCAA and DCMA were much more likely than the rest of the Fourth Estate to agree that that they had opportunities to improve their skills (81 percent and 75 percent, respectively). Similarly, 78 percent of individuals hired within the past ten years in the FDA were likely to agree with the survey question, compared to 67 percent in the rest of the non-DOD agencies.
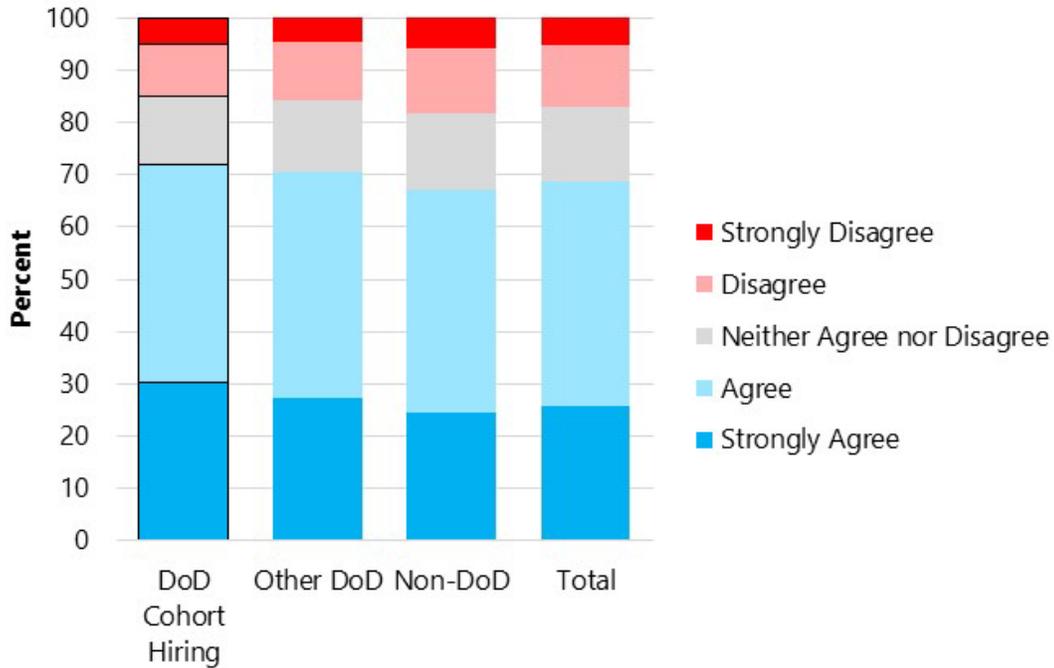
Note: Weighted responses to "I am given a real opportunity to improve my skills in my organization" (Hires within the past ten years) (Aggregated Categories).

Figure 6. Views on Development Opportunities by Agency Category

Figure 7 shows the distribution of responses from individuals hired within the past ten years, by aggregated categories, to the FEVS question that "My training needs are assessed" by aggregated organization categories. It shows that respondents in DOD's cohort-hiring agencies are more likely to agree (64 percent) that their training needs are assessed than individuals in other parts of the federal government (59 percent in other parts of DOD and 56 percent in non-DOD agencies). Agreement rates in the DOD cohort-hiring agencies range from 61 percent in DLA and MDA to 73 percent in DCAA, compared to only 55 percent in the rest of the Fourth Estate. (DLA and MDA's agreement rates are broadly similar to those of the military departments, whose agreement rates range from 58 percent in the Navy to 61 percent in the Air Force.) Similarly, 64 percent of individuals hired within the past ten years in the FDA were likely to agree that their training needs are assessed, compared to 56 percent in the rest of the non-DOD agencies.

Figure 7. Training Needs by Agency Category

Figure 8 shows the distribution of responses from individuals hired within the past ten years, by aggregated agency categories, to the FEVS question "Supervisors in my work unit support employee development." It shows that respondents in DOD's cohort-hiring agencies are slightly more likely to agree (75 percent) that their supervisors support employee development than other respondents (73 percent in other DOD agencies and 72 percent in non-DOD agencies). Agreement rates in the DOD cohort-hiring agencies range from 72 percent in DLA to 80 percent in DCAA, compared to 70 percent in the rest of the Fourth Estate. These agreement rates are broadly similar to the military departments, whose agreement rates range from 72 percent in the Air Force to 74 percent in the Navy. In the FDA, 80 percent of individuals hired within the past ten years were likely to agree that their supervisors support employee development, compared to 72 percent in the rest of the non-DOD agencies.

Figure 9 shows the distribution of responses from individuals hired within the past ten years, by aggregated agency categories, to the FEVS question "How satisfied are you with the training you receive for your present job?" It shows that respondents in DOD's cohort-hiring agencies are slightly more likely to agree (62 percent) that they are satisfied with their training than other respondents (57 percent in other parts of DOD and in non-DOD agencies). Agreement rates in the DOD cohort-hiring agencies range from 57 percent in DLA to 73 percent in DCAA, compared to 55 percent in the rest of the Fourth Estate. Except for DLA, the agreement rates in DOD's cohort-hiring agencies are all higher than those of the military departments, whose agreement rates range from 56 percent in the

Navy to 59 percent in the Army. In the FDA, 68 percent of individuals hired within the past ten years were likely to agree that they are satisfied with their training for their current job, compared to 57 percent in the rest of the non-DOD agencies.
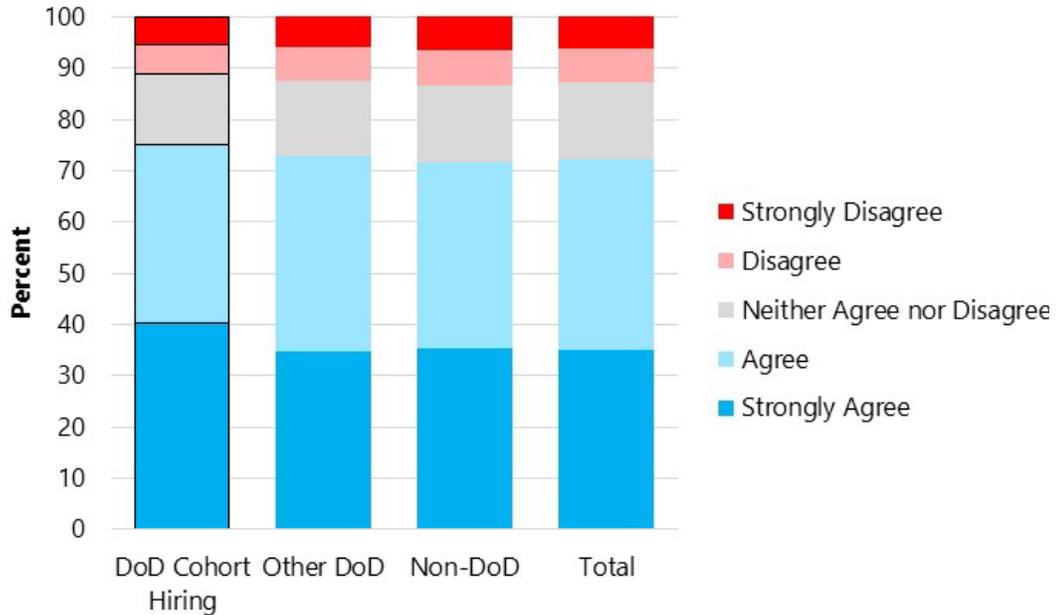
Note: Weighted responses to "Supervisors in my work unit support employee development" (Hires within past ten years) (Aggregated Categories).

Figure 8. Support for Employee Development by Agency Category
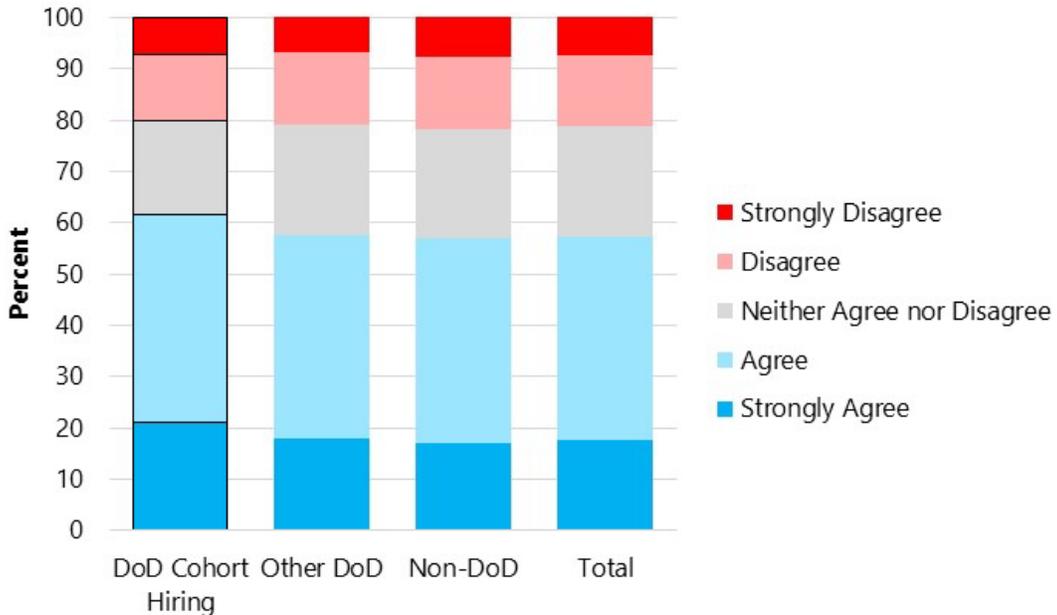
Note: Weighted responses to "How satisfied are you with the training you receive for your present job?" (Hires within past 10 years) (Aggregated Categories)

Figure 9. Satisfaction with Training by Agency Category

C. Cohesion and Group Identity

IDA interviews with non-defense employers and affinity groups confirm that cohort-hiring programs are viewed as an effective mechanism to increase employee engagement and connection. For example,

- One outside employer stated that its cohort programs are a "very powerful" tool for getting new hires "plugged in" and for building connections within a class and across the organization. As a result, new hires tend to identify with their hiring cohort throughout their careers in the organization.

- A second outside employer reported that its cohort-hiring program is designed to optimize connection and experience, and, as a result, the program has been great for retention and for getting new hires committed to the institution.

- One affinity group representative told the IDA team that cohort-hiring programs can "help build relationships that matter," which is not only likely to improve retention, but also makes a good sales pitch for new recruits.

- A second affinity group representative stated that he had been hired as part of a cohort early in his career and found that the approach created a more familiar environment, made him more comfortable with the job, and resulted in his looking at the company differently than if the company had not provided the same positive experience at the outset.

DOD interviewees expressed similar views. The DCMA cohort-hiring program was reported to help participants develop a group identity. The DLA program was said to have a significant cultural impact, creating connections that last long beyond the end of the program. The MDA program signals to participants that they are building a career, not just a job. The Air Force program helps new hires build relationships and adapt to Air Force culture. Finally, Navy program was reported to improve retention by exposing participants to the way that the Navy works.

No direct measures of employee cohesion and group identity are available, but survey data indicate that cohort-hiring agencies outperform the military departments and other defense agencies by a small margin in measures of employee satisfaction and engagement.

OPM provides the agencies that participate in the FEVS with index scores for various metrics, including employees' global satisfaction and employee engagement.[66] For this assessment, IDA recalculated these two indexes using the methodology provided by OPM.

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[66] "Data Reports," Office of Personnel Management, https://www.opm.gov/fevs/reports/data-reports/.

Specifically, the Global Satisfaction Index is calculated as the average of the positive responses to four satisfaction questions:[67]

- **Q40.** I recommend my organization as a good place to work.
- **Q69.** Considering everything, how satisfied are you with your job?
- **Q70.** Considering everything, how satisfied are you with your pay?
- **Q71.** Considering everything, how satisfied are you with your organization?

Likewise, the Employee Engagement Index is calculated as the average of the positive responses across fifteen engagement-related questions. The first five questions relate to how well employees perceive that leaders lead, the second group of five questions relate to employees' perceptions of their supervisors, and the remaining five questions ask about the intrinsic work experience:

- **Q53.** In my organization, senior leaders generate high levels of motivation and commitment in the workforce.
- **Q54.** My organization's leaders maintain high standards of honesty and integrity.
- **Q56.** Managers communicate the goals and priorities of the organization.
- **Q60.** Overall, how good a job do you feel is being done by the manager directly above your immediate supervisor?
- **Q61.** I have a high level of respect for my organization's senior leaders.
- **Q47.** Supervisors in my work unit support employee development.
- **Q48.** My supervisor listens to what I have to say.
- **Q49.** My supervisor treats me with respect.
- **Q51.** I have trust and confidence in my supervisor.
- **Q52.** Overall, how good a job do you feel is being done by your immediate supervisor?
- **Q3.** I feel encouraged to come up with new and better ways of doing things.
- **Q4.** My work gives me a feeling of personal accomplishment.
- **Q6.** I know what is expected of me on the job.
- **Q11.** My talents are used well in the workplace.
- **Q12.** I know how my work relates to the agency's goals.

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[67] For example, a score of 80 percent on the global satisfaction index indicates that, on average, 80 percent of responses were positive ("agree," "strongly agree," "satisfied," and "very satisfied") across the four questions.

Figure 10 shows the Global Satisfaction Index for the aggregated categories (DOD Cohort-Hiring Agencies, Other DOD Agencies, and Non-DOD Agencies) for employees hired in the federal government within the past ten years. On the whole, DOD's cohort-hiring agencies have slightly higher scores than the rest of DOD, but the differences are small (78 percent for cohort-hiring agencies vs. 75 percent for the rest of DOD and 76 percent overall). The higher average satisfaction scores in the cohort-hiring agencies are largely driven by DCMA, DCAA, and DLA, all of which score higher than the average of the rest of the Fourth Estate and the other services (although the Army is close at 77 percent). In contrast, MDA—the smallest of the four DOD cohort-hiring agencies—has a lower score than the other categories of organizations, at only 69 percent. Interestingly, the FDA—a non-DOD cohort-hiring agency—also has a slightly higher satisfaction score of 82 percent compared to the rest of the federal government. Overall, except for MDA, the cohort-hiring agencies all report slightly better satisfaction scores than average.
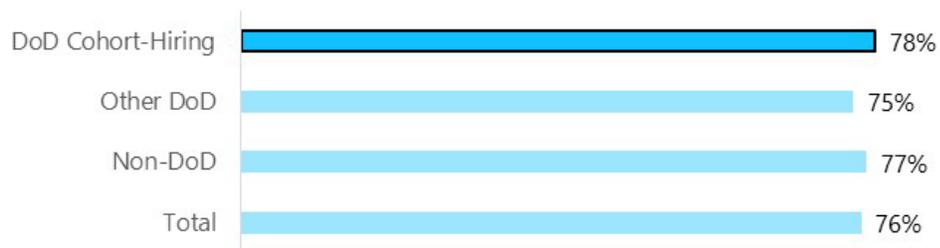
Note: Global Satisfaction Index (recreated) for employees with ten years or fewer in the federal government (excluding military service) (Aggregated Categories).

Figure 10. Global Satisfaction Index by Agency Category

Figure 11 shows the Employee Engagement Index Scores for the aggregated categories (DOD Cohort-Hiring Agencies, Other DOD Agencies, and Non-DOD Agencies) for employees hired in the federal government within the past ten years. The average employee engagement index in DOD's cohort-hiring agencies is essentially the same as the rest of DOD (72 percent vs. 71 percent) and only slightly higher than that of non-DOD agencies, whose average employee engagement index is 68 percent. All four DOD cohort-hiring agencies have employee engagement scores above the average 68 percent reported in the rest of the Fourth Estate. DCAA and DCMA are the highest at 77 and 74 percent, respectively. DLA (71 percent) and MDA (70 percent) are only slightly above the Fourth Estate average and are essentially equivalent to the 71 percent average scores across the Army, Navy, and Air Force. The FDA's 77 percent score is quite high relative to the average of the rest of the non-DOD organizations at 68 percent.

DoD Cohort Hiring	72%
Other DoD	71%
Non-DoD	68%

Note: Employee Engagement Index among Employees hired within last ten years (Aggregated Categories).

Figure 11. Employee Engagement Index by Agency Category

As mentioned previously, these figures show simple summary statistics, so we must exercise caution in concluding that the practice of cohort hiring is the cause of these differences. However, the overall pattern is a positive indicator that agencies that conduct cohort hiring generally score at least as well and sometimes slightly better than their peer organizations in both employee satisfaction and employee engagement.

This conclusion is buttressed by the only retention data on cohort-hiring programs that IDA was able to obtain. Air Force data on the PAQ and COP programs show that retention from the two Air Force cohort-hiring programs significantly exceeds retention of hires from other sources. Figure 12, provided by the AFPC, shows that while retention rates after the first year are essentially the same, by the end of five years, PAQ/COP graduates are retained at a rate that is ten percentage points higher than that of other civilian accessions. By the end of ten years, two thirds of PAQ/COP graduates remain with the Department, compared to just half of other civilian accessions.

The IDA team also examined Glassdoor ratings for DOD and competitor organizations. Unlike the DOD survey data, the Glassdoor data did not show any positive correlation between cohort hiring and employee satisfaction.

The Glassdoor response rates for cohort-hiring agencies was extremely low, with just 49 ratings for MDA and 200–300 for the other cohort-hiring agencies (compared to about 1,000 FEVS responses for MDA and 3,000 to 4,000 responses for the other cohort-hiring agencies). These reviewers are self-selected, so IDA has no basis on which to determine the extent to which they may or may not be representative of broader views about DOD organizations.

Source: AFPC.

Figure 12. Comparison of Air Force Retention Rates for Cohort and Non-Cohort Hires

Further complicating the Glassdoor data, the reviews from civilian employees are indistinguishable from the reviews submitted by uniformed military personnel, which limits the conclusions that one can draw. For example, "Infantry officer" and similar uniformed roles comes up among the most common jobs for the DOD Glassdoor page and in the pages for Army and Marines. Pages for civilian employees in the military departments do exist; however, most reviewers appear to aggregate their reviews with those of the service broadly, with the Army Civilian Service page containing just 6 reviews, compared with the main Army page's 23,000+ reviews. A review of Indeed offered similar findings.

Nonetheless, these reviews are a source of information for potential recruits and may have an impact on recruiting. Overall, DOD (4.1) and its components score above the Glassdoor average (3.3) and slightly above the average ratings of similar agencies but below that of high-end talent competitors, with leading technology companies such as Google (4.6), Microsoft (4.5), and Facebook (4.4) consistently outperforming the average DOD organizations. Figure 13 shows a comparison of the Glassdoor ratings of DOD and other organizations.

IDA also compared Glassdoor ratings for DOD cohort-hiring agencies to DOD and Glassdoor averages. The cohort-hiring organizations do not stand out as high-performing organizations in this comparison. Some specific DOD organizations, typically science and technology (S&T) labs like the Air Force Research Lab (4.6), appear to rank with elite private sector organizations. DOD organizations offering cohort hiring, such as DCMA (3.7), DCAA (3.4), DLA (3.8), and MDA (3.4), performed above Glassdoor's average but below DOD's average and the scores of comparable organizations. Figure 14 shows a comparison between the ratings of cohort-hiring agencies and the DOD and Glassdoor averages.
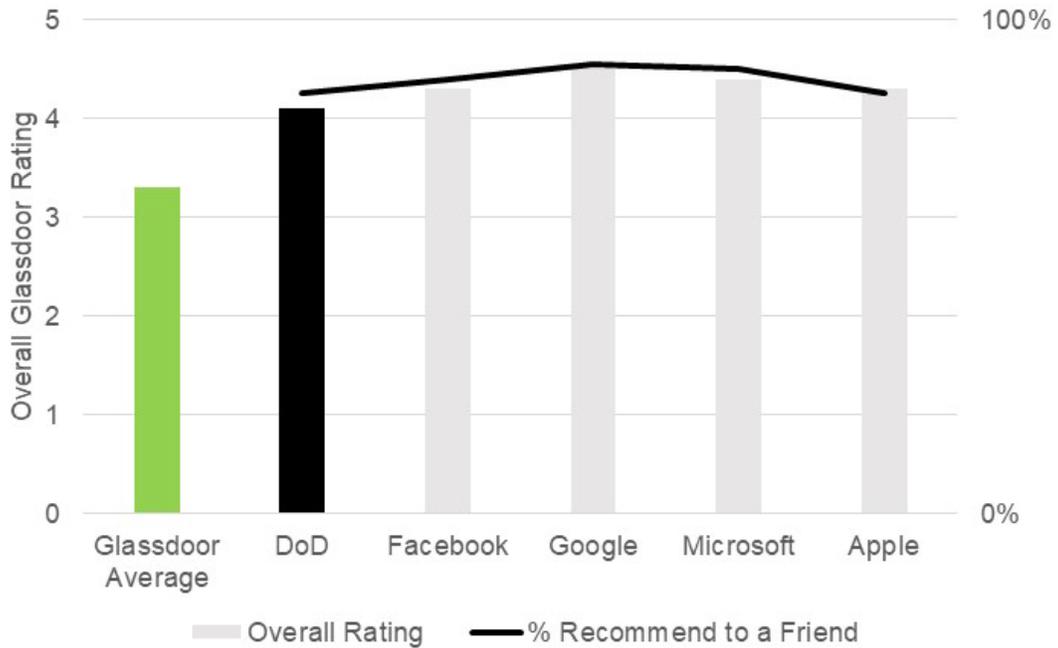
53

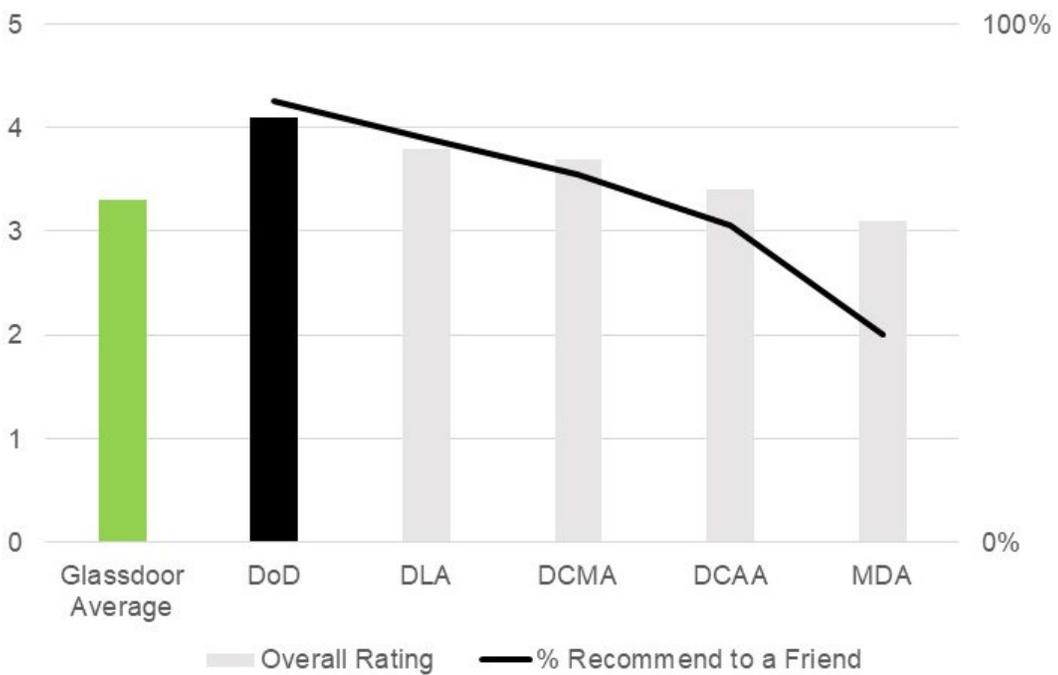**Figure 13. Glassdoor Ratings for DOD and Other Employers**

Figure 14. Glassdoor Ratings for Cohort-Hiring Agencies and Other Employers

In light of the low response rates for these organizations and the self-selecting nature of respondents in these surveys, these ratings do not carry statistical significance. However, they place an important caveat on IDA's findings with regard to cohort-hiring programs: a myriad of factors influence employee engagement and satisfaction, and, while cohort-

hiring programs offer a potential route to improved connection and retention, they are not a cure-all for organizational workplace issues.

D. Efficient Processes

In theory, a cohort-hiring process might be expected to be more efficient than a process under which a separate hiring action is taken for every position and a separate training schedule is established for every individual. The contrast between centralized hiring and atomized hiring is clouded, however, by the choice of most cohort-hiring organizations in the Department to delegate significant decision-making authority to local hiring authorities. It not entirely clear whether efficiencies, if they exist at all, would be achieved in the central organization or in local hiring units (where they would likely be more difficult to measure).

In general, interviewees in cohort-hiring agencies were reluctant to attribute significant cost savings to cohort-hiring processes. The exceptions were as follows:

- An interviewee from DCAA (the organization with the most centralized process) reported that the use of a single announcement every few months for multiple positions in different locations, with a consolidated review process, has resulted in a smooth and effective hiring process. One job announcement and a single review panel means that neither DCAA staff nor applicants have to deal with multiple interviews. By comparison, under the previous process, job candidates would sometimes interview three or four times with different organizational units at different times. While DCAA has not developed metrics for savings, the interviewee was convinced that cohort hiring has made the process more efficient.

- An interviewee from DLA (which uses a less centralized hiring process and continues to rely on competitive hiring procedures) stated that with cohort hiring, "time-to-hire" statistics become much less important. With a cohort scheduled to come on board at the same time, timelines for the hiring process can be built to accommodate the need, affording predictability to potential recruits and substantially reducing the risk of vacancies. This DLA interviewee also indicated that the cohort-hiring approach has enabled the agency to make a more efficient use of its training resources.

However, even these interviewees placed a greater emphasis on the quality of the recruits and the substantive results of their cohort-hiring programs than on any efficiency that may have been gained through the consolidation of resources.

IDA's analysis of available data on the DOD hiring process provides indications that cohort-hiring agencies have been able to fill positions more quickly than the military departments and other defense agencies and that they have a smaller proportion of vacant

positions. While the data are indicative of the possibility that cohort hiring may result in a more efficient hiring process, the data are not sufficient to enable IDA to reach a firm conclusion on this issue.

IDA's analysis of time-to-hire efficiency used FY15–FY19 hiring data files provided by DCPAS. The IDA team compared average time to hire for all hires in cohort agencies (DCAA, DCMA, DLA, and MDA) with those in other Fourth Estate agencies and the military departments. Table 7 shows that cohort-hiring agencies take measurably less time to make hires than the Department as a whole, with an average time to hire that is twenty to forty days shorter than the departmental average, depending on the year. Cohort-hiring agencies as a group perform better on this metric than any of the military services and, except inFY19, better than other elements of the Fourth Estate.

Table 7. Time to Hire by Agency (All Hires)

Agencies	FY15	FY16	FY17	FY18	FY19
DCAA	27	25	28	42	62
DCMA	113	139	99	95	92
DLA	54	64	66	62	71
MDA	92	131	132	124	120
All Cohort Hiring	**57**	**69**	**66**	**64**	**74**
Other Fourth Estate	69	71	86	78	68
Army	96	108	118	101	97
Navy	76	80	93	95	93
Air Force	88	89	108	120	95
All DOD	**85**	**91**	**105**	**101**	**92**

Note: Average time to hire (days) for all hires.

The DCPAS data set includes not only new hires, but also internal transfer hires, external transfer hires, and hires with prior federal service. While cohort hiring could conceivably have a favorable impact on the timeliness of internal transfers (when a cohort hire is shifted from a centrally held billet into a permanent position), the vast majority of cohort hires are brought on board as new hires. Accordingly, IDA also examined time-to-hire statistics for new hires only, excluding other categories of hires. Table 8 shows that cohort-hiring agencies as a group make new hires faster than the DOD average or the average of any of the military departments but that they maintained an advantage over the Fourth Estate in only two of the five years reviewed.

Table 8. Time to Hire by Agency (New Hires)

Agencies	FY15	FY16	FY17	FY18	FY19
DCAA	45	32	17	49	98
DCMA	162	195	184	135	130
DLA	81	91	106	91	104
MDA	186	201	203	196	155
All Cohort Hiring	**88**	**103**	**97**	**90**	**109**
Other Fourth Estate	85	89	109	105	103
Army	133	153	163	140	129
Navy	93	107	124	119	119
Air Force	112	115	145	148	113
All DOD	**108**	**120**	**140**	**130**	**119**

Note: Average time to hire (days) for new hires only.

Closer examination shows an even muddier picture. While DCAA's centralized hiring process appears to result in a time to hire that is several times faster than the DOD average (except in FY19) and DLA does better than any of the military departments, DCMA and MDA time-to-hire averages are notably worse than the averages of the Department, other elements of the Fourth Estate, or the military departments. If cohort hiring in fact enables more efficient hiring processes, it is difficult to explain why these two cohort-hiring agencies perform so poorly on this metric.

Several interviewees made the point that time to hire is a not a good metric for efficiency, because hiring managers who plan ahead are able address any reasonable lead time and still fill positions without a gap in service. This observation is particularly true for cohort-hiring agencies because advance planning is required to properly size a cohort. For this reason, an agency's vacancy rate, which indicates the amount of time that positions are gapped, may be a better metric for the performance of the personnel system than time-to-hire statistics.

Accordingly, IDA reviewed vacancies data provided by DCPAS. Vacancies are defined as the difference between the agency-by-occupation authorizations and strength.[68] Because of limitations on available data, IDA compared the performance of DLA and DCMA (rather than all four cohort-hiring agencies) to the military departments and other defense agencies.

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[68] At times, the vacancy rate can be negative due to more strength than authorizations being reported in the data. All analysis excluded negative vacancies. Excluding negatives may have artificially inflated the share of vacancies.

Figure 15 shows that DLA and DCMA have substantially lower vacancy rates than either the military departments or other defense agencies. DLA and DCMA vacancy rates are about 10 percent, while the military departments have vacancy rates in the range of 15 to 25 percent and other defense agencies have vacancy rates approaching 30 percent. Notably, even though DCMA performs poorly on time-to-hire statistics, its vacancy rates are significantly lower than the DOD average. Because different types of positions are likely to present different hiring problems, IDA also looked at the vacancy rates for STEM positions. This analysis closed (but did not eliminate) the gap between cohort-hiring agencies and the military departments. Vacancy rates for other defense agencies were essentially unaffected.
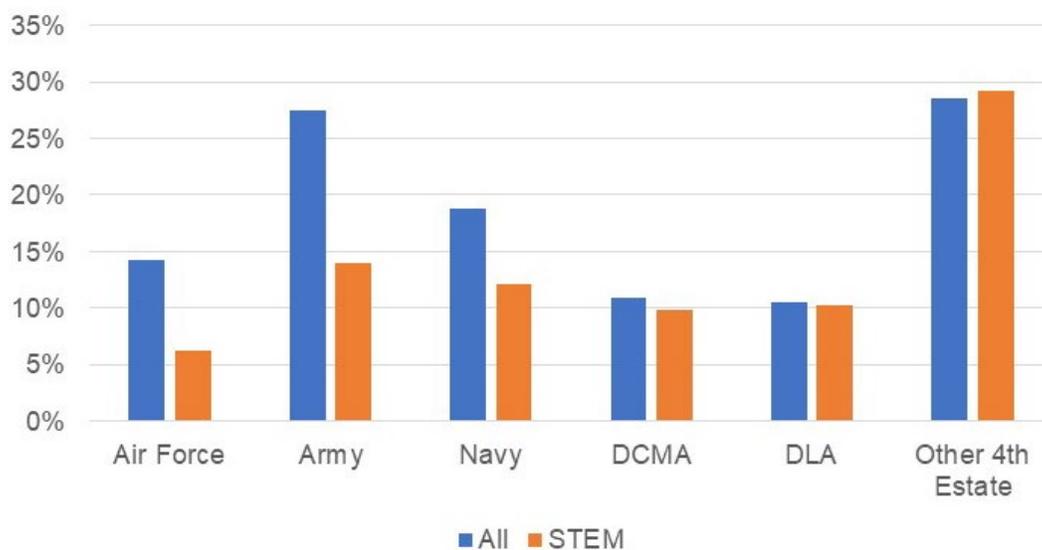
Figure 15. Vacancy Rates by Agency

In short, some indications signal that a cohort-hiring process can make the hiring process more efficient, but the data on this issue was far from definitive. Grouping the training of cohort hires instead of having each individual position run through the training in a decentralized manner may also be more efficient, but IDA was unable to identify any data to support this supposition.

7.   Problems and Issues

A. Hiring Authorities

As shown previously, "cohort hiring" is an established practice in DOD and the rest of the federal government. However, it is not a defined term. No regulatory procedures exist for cohort hiring. In fact, none of the published guidance appears to go beyond describing a single program and how it works. The absence of guidance raises two questions with regard to hiring procedures:

- Are there specific hiring procedures that *should* be used in conjunction with cohort hiring?

- What hiring procedures actually *are* used in conjunction with cohort hiring?

Two basic categories of hiring authorities are available for civilian hiring in DOD: (1) competitive hiring authority (also known as "delegated examining authority") and (2) direct hiring (together with its cousin, "expedited hiring authority"):

- The default method for hiring new federal employees is through the competitive examination process pursuant to delegated examining authority granted by OPM. Under this approach, job openings are posted on USAJOBS for a set period of time, and applications are collected, reviewed for minimum qualifications, and grouped into two or more categories in accordance with the evaluation methodology set forth in the job announcement. The hiring manager can then select any applicant in the highest quality category, except that a "preference-eligible" veteran in the top category cannot be passed over in favor of another applicant without a detailed justification and that qualified disabled veterans are automatically promoted to the top category.

- DHA is the authority to appoint candidates directly into the federal civil service without regard to the requirements of the laws and regulations governing the competitive hiring process. Agencies with DHA must comply with the merit systems principles and appoint qualified candidates, but these agencies are not required to follow OPM procedures relating to ratings, assessments, and certifications. In particular, neither the veterans' preference nor category rating procedures apply to direct hiring.

DOD interviewees told the IDA team that the delegated examining process is a clunky, bureaucratic, and ineffective hiring tool that makes it difficult for the Department to compete for talent. DHA, by contrast, is viewed as having substantially expedited the hiring process, which enables the Department to engage in proactive recruiting and even make on-the-spot job offers where necessary to compete with other employers. As a result, DOD interviewees reported that the Department now has DHA for up to 90 percent of STEM positions, which enables DOD organizations to develop streamlined procedures for most critical skills hiring. Several defense agencies told the IDA team that they use DHA for almost all outside hires, reserving traditional competitive processes for internal promotions.

In theory, cohort hiring could be applied either to make competitive hiring more efficient (by using the traditional hiring process to make multiple job offers pursuant to a single job announcement) or to make direct hiring fairer (e.g., by using hiring panels to review applications and/or considering diversity and inclusiveness across a hiring cohort). The statutory provision requiring this assessment (Section 1109 of the NDAA for Fiscal Year 2020)[69] appears to leave the door open to both approaches, calling for consideration both of steps to improve the competitive hiring process and of steps to ensure that direct hiring is conducted in a manner consistent with the merit principles. The provision states:

> The report required under paragraph (1) shall—
>
> (A) assess and identify steps that could be taken to improve the competitive hiring process at the Department and ensure that direct hiring is conducted in a manner consistent with ensuring a merit based civil service and a diverse workforce in the Department and the rest of the Federal Government; and
>
> (B) consider the feasibility and desirability of using cohort hiring, or hiring 'talent pools,' instead of conducting all hiring on a position-by-position basis.[70]

The IDA team interviewed representatives of two federal employee unions to assess their views of cohort hiring. One union argued vociferously that only competitive hiring should be used in conjunction with cohort hiring, following up with a letter stating that it views cohort hiring "as an alternative to direct hire." The letter explains:

> [Cohort hiring is] a more efficient and effective mechanism for generating standing lists of qualified candidates than the method the Department currently primarily relies upon of requiring applicants to apply separately for individual jobs through USAJOBS.

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[69] National Defense Authorization Act (NDAA) for Fiscal Year 2020, SEC. 1109.

[70] Ibid., 133 Stat 1599–133 Stat. 1600.

Requiring applicants to search the entirety of USAJOBS and separately apply for similar jobs on a daily basis is highly burdensome on job applicants and a very inefficient way of generating candidates.… Frustrated managers then turn to direct hire to hire people they know, thereby weakening diversity and the underpinnings of a merit-based system.…

Standing registers, which Section 1109 calls "cohort hiring," can overcome these problems because the standing lists, when the Department has used them, are not feasible in the absence of objective assessment tools that include subject matter expert panels and objective metrics for assessing skills. There is no need for direct hire, indeed direct hire is incompatible with the very idea of relying on standing lists (i.e., cohort hiring).[71]

A second federal employee union expressed more openness to the possibility that cohort hiring could be used to ensure fairness in the direct-hiring process. While this union has not taken a formal position on cohort hiring, union representatives interviewed by the IDA team stated that cohort hiring could be a good thing if it were used to ensure that merit principles are observed in direct hiring, for example, by the use of standardized processes and hiring panels and by the examination of cohorts to ensure diversity and fairness to candidates with preferences in the selection process. The union representatives also expressed the view that cohorts should not be so large that they lump together candidates for dissimilar positions, making requirements generic to the point of being meaningless.

In practice, DOD organizations have used competitive- and direct-hiring processes in conjunction with cohort hiring. However, most organizations appear to have moved from competitive hiring to direct hiring in recent years, taking advantage of new DHAs provided by Congress in that period. All agencies reported using public notice (including USAJOBS postings), hiring panels, and other procedural protections to ensure conformance to merit systems principles. Table 9 shows the use of direct- and competitive hiring processes by DOD cohort-hiring programs.

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[71] Jacqueline Simon, "Letter to Peter Levine (IDA)" (Washington, DC: American Federation of Government Employees (AFGE), December 18, 2020). A "standing register" is an inventory of job applicants who have been approved through the competitive hiring process and are available to fill positions as they become available. See U.S. Office of Personnel Management, *Delegated Examining Operations Handbook: A Guide for Federal Agency Examining Offices* (Washington, DC: OPM, June 2019), 5-26, 5-29, Appendix J, https://www.opm.gov/policy-data-oversight/hiring-information/competitive hiring/deo_handbook.pdf.

Table 9. Hiring Authorities Used by Cohort-Hiring Programs

Organization	Program Name	Hiring Authority
DCAA	Auditors	Mix of direct and competitive
DCMA	Keystone	Direct hire
DLA	PaCE	Mostly competitive
MDA	MDCDP	Direct hire
Air Force	PAQ and COP	Direct hire
Navy	NADP	Direct hire
Army	ACDP	Mix of direct and competitive

Each of these programs is discussed in more detail below.

- **DCAA Auditors program.** Several hiring panels run at the same time to review applications and select program participants, who are matched to operating units with verified requirements in accordance with their geographic availability. The program uses a combination of competitive hiring and direct hiring, depending on the circumstances.

- **DCMA Keystone program.** The DCMA Human Capital Recruitment Division posts job announcements for the Keystone program, but hiring decisions are made locally, with each office putting together its own hiring panels. In some cases, an applicant can check multiple boxes for desired locations and may be considered by more than one panel. DCMA has used a combination of competitive and non-competitive appointing authorities to fill Keystone positions in the past, but reports that it now relies exclusively on direct and expedited hiring authorities.

- **DLA PaCE program.** The Columbus, Ohio, office posts semi-annual hiring announcements through USAJOBS: one in the spring for a cohort starting in July and one in the fall for a cohort starting in February. Recruiting and initial screening of candidates are handled centrally, but hiring decisions are made by local hiring managers. DLA has traditionally relied exclusively on the competitive hiring process, but the agency has recently started to experiment with DHA for students and recent graduates.

- **MDA MDCDP.** Local hiring managers conduct their own interviews and make their own hiring decisions. Most positions are offered at Redstone Arsenal in Alabama, but a few are available in Colorado and Virginia. MDA interviewees reported that the program now relies on DHA.

- **Air Force PAQ program.** Recruiting specialists in the Air Force Talent Acquisition Cell typically post notices, review résumés, conduct interviews in conjunction with SMEs, and develop a pool of candidates for program participation.

However, local commands are responsible for making final selections and individual hiring decisions. Air Force interviewees reported that the program now relies on DHA.

- **NADP.** Participating commands recruit and hire NADP participants. Historically, both direct-hire and competitive hiring authorities have been used, but Navy interviewees reported that the program now relies on direct and expedited hiring authorities.

- **Army ACDP program.** The Army uses a mix of DHA and competitive hiring for the ACDP program, depending on available authorities. However, Army interviewees told the IDA team that they use DHA whenever possible. The new DHA established by Congress for students and recent graduates is now believed to cover most new hires through the ACDP program.

Figure 16 shows the use of DHA across DOD, confirming that cohort-hiring agencies have significantly ramped up their use of DHA over the last five years (as has the rest of the Department).
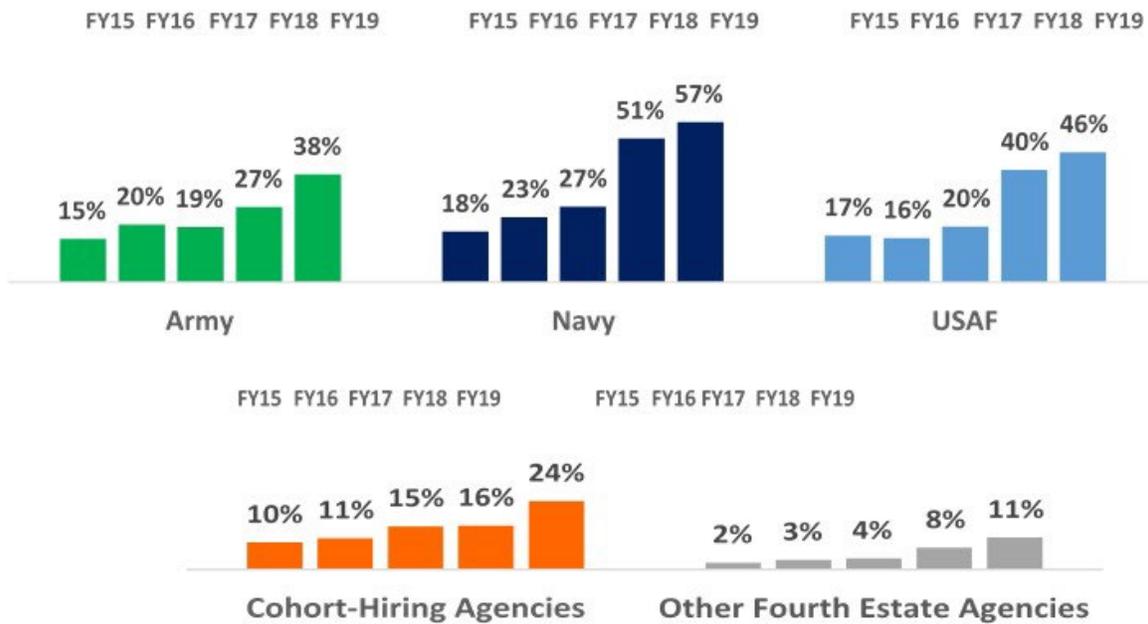
Source: DCPAS data.

Figure 16. Percent of New Hires That Are Direct Hires by Agency Category

Figure 17 reports the share of new hires employed using DHAs for cohort-hiring agencies specifically. The data show that, of the cohort-hiring agencies, only DLA continues to rely heavily on competitive hiring procedures. Only 6 percent of DLA's new hires were employed using DHAs in 2019, while the other three cohort-hiring agencies reported

DHA percentages of 70 percent or more in fiscal year 2019. DCAA dramatically ramped up its use of DHA from 2017 (when it first reported the use of DHA) to 2019.
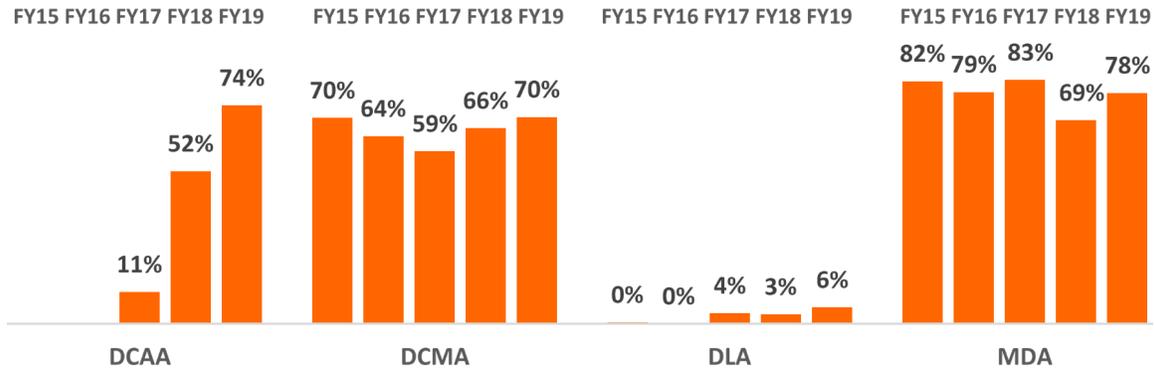
Source: DCPAS data. Use of DHAs were not reported for DCAA in FY15 and FY16.

Figure 17. Percent of New Hires That Are Direct Hires by Cohort-Hiring Agency

The military department-wide DOD cohort-hiring programs bring new hires into the GS employment system, with its government-wide classifications and pay scales. However, some components of the military departments use alternative pay systems, pursuant to the Laboratory Demonstration program (Lab Demo), the Acquisition Demonstration program (Acq Demo), and other authorities.

The mismatch in employment systems has apparently been an impediment to the expansion of cohort-hiring programs into defense laboratories and at least some acquisition organizations. Interviewees in the Army and the Air Force told the IDA team that their laboratories were resistant to accepting hires under the PAQ and ACDP new hire programs, respectively, even as "free labor" because the new hires would be paid less under the GS system than comparable hires under the Lab Demo program. Officials in one Army acquisition command reported the same issue. To address this problem, the Army recently began an experiment under which Army Futures Command can bring ACDP new hires into its laboratories using Lab Demo authority.

B. Centralization of Authority

One of the major prerequisites for a successful cohort-hiring program is the existence of a group of new hires entering comparable positions that is large enough to support such a program. The basic elements of cohort hiring appear to be best practices that should be applied even in the absence of a cohort. However, the existence of an appropriately sized cohort offers several potential advantages. For example,

- With a larger scale, a program is likely to be able to offer greater variety of rotational assignments and more broadening and team-building experience.

- The existence of a cohort provides an opportunity for peer bonding, which may result in a closer connection and greater commitment to the organization and its mission.

For these reasons, small organizations and organizations that hire for very specialized positions may not be good candidates for cohort-hiring programs. One private sector employer that told the IDA team that with only a few dozen employees, most of them highly specialized, cohort hiring was not an option. Likewise, the Joint Artificial Intelligence Center (JAIC) and the defense laboratories reported that their new hires tend to be too specialized to be a natural fit for a cohort-hiring program. On the other hand, the IDA team learned that one of the nation's leading private sector research and engineering centers, with equally specialized positions, has established cohort-hiring programs for its new hires.

DOD has a workforce of 750,000 civilians and hires tens of thousands of new employees every year, giving it the advantage of scale. However, civilian hiring authority in the Department is highly diffused, with individual hiring managers in local organizational units responsible for making most hiring decisions on a position-by-position basis. Even when new hiring decisions are "bundled" within a single local organization or activity, the number of new hires may not be large enough or predicable enough to support a cohort-hiring program. For example, the MDA, with 2,600 employees, is barely able to support a cohort-hiring program of 25 to 50 annual new hires across its organization. For this reason, successful cohort-hiring programs in the Department generally seek to centralize at least some hiring functions so that critical mass can be created by rolling up new hires across the organization.

A number of interviewees told the IDA team that their efforts to establish and build cohort-hiring programs have been impeded by cultural resistance to the centralization of hiring authority. One Air Force official asserted that the Department would benefit from a more centralized recruiting operation that could build a cohort of highly qualified new hires who are ready for assignment but that is unlikely to happen. A second Air Force official reported that there is always resistance from lower offices if these offices feel that they are not getting a say in the process of hiring their own employees.

An Army official was more sympathetic to the concerns of local commands, noting that "there is something to be said for local folks knowing exactly what they're looking for." New civilian hires are likely to want to have a voice in deciding where they will be assigned and what they will be doing before they accept employment. These problems could be mitigated by rotational programs that give employer and employee an opportunity to get to know each other and provide some degree of "self-determination" in the ultimate placement decision. However, this approach would require a major cultural adjustment from organizations that may resist the dilution of local hiring authority and the burden imposed by needing to think ahead about likely manpower needs.

Established DOD cohort-hiring programs have sought to address the tension between the needs of a large organization and its local units by affording local hiring managers a significant role in the hiring process and by providing centralized funding of new hire positions (an offer of "free" employees) as a carrot for program participation.

Local participation in hiring decisions takes many forms, ranging from the ability to send SMEs to sit on central hiring panels, to the authority to pick candidates from a central roster of candidates, to full authority to select new hires for enrollment in cohort-hiring programs. Decisions to graduate an employee from a cohort-hiring program and place the employee within an organization are almost always made by local organizational units.

Table 10 summarizes the degree of centralization of recruiting hiring processes in DOD cohort-hiring programs. It indicates that two programs conduct all their recruiting, hiring, and placement activities at the local level. However, one of these programs (the MDA MDCDP) is essentially a local program since almost all MDA's hiring takes place at a single location, while the other program (the Army ACDP program) is not a cohort-hiring program at all. Each of these programs is discussed in more detail after Table 10.

Table 10. Centralization of Recruiting and Hiring Functions

Organization	Program Name	Recruiting	Hiring	Placement
DCAA	Auditors	Mixed	Central	Central
DCMA	Keystone	Central	Local	Local
DLA	PaCE	Central	Local	Local
MDA	MDCDP	Local	Local	Local
Air Force	PAQ and COP	Central	Local	Local
Navy	NADP	Mixed	Mixed	Local
Army	ACDP	Local	Local	Local

- DCAA has the most centralized recruiting and hiring process of any of the DOD cohort-hiring programs. Job requirements are centrally compiled, and job announcements for all locations are sent out from DCAA headquarters. Recruiting has a heavy local component, with local DCAA managers expected to initiate and participate in recruiting events. Recruits are then bucketed by their geographical preferences and entered into a central process for interviews. All hiring decisions are made by central hiring panels. A limited role for local offices is preserved by allowing them to participate in central hiring panels.[72]

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[72] When the hiring process was first centralized, DCAA tried to set up a single hiring panel for all new hires. With a requirement to hire 600 or more new auditors per year, however, panel members started to "burn out" quickly. As a result, DCAA now runs four to six central hiring panels simultaneously, with any given panel on call for only six months. Panel members have been grouped by geographic region so that they can work with interviewees in the same time zone.

Even so, DCAA interviewees report that the change to central hiring panels in 2016 has been "a hard pill to swallow" for some local hiring managers. The centralized process has resulted in a more structured and consistent approach to interviews and has helped avoid multiple interviews of the same individuals. It has also produced top-quality new hires, giving credibility to the new process.

– DCAA program participants become permanent employees upon successful completion of their two-year probationary periods and graduation from the audit institute. Uniquely among cohort-hiring programs, DCAA places its new hires in local billets from the time they are first brought on board, and they remain in the same billets after graduation.

- DCMA is more typical of DOD cohort-hiring programs, with a relatively decentralized recruiting and hiring process. The DCMA Human Capital Recruitment Division posts job announcements for the Keystone program and compiles a list of eligible applicants. However, hiring decisions are made locally, with each office putting together its own hiring panels and conducting its own interviews. In some cases, an applicant can check multiple boxes for desired locations and may be considered for employment by more than one region.

- Keystone program participants are brought on as permanent employees, subject to a two-year probationary period. Upon completion of the program and the probationary period, the hiring office is expected to place Keystone graduates into appropriate positions.

- DLA interviewees say that they have a centralized process that is run in partnership with local organizations. The Columbus, Ohio, office posts semi-annual hiring announcements through USAJOBS. Job announcements are national but indicate the regions in which DLA is hiring, which allows applicants to decide where they want to work. DLA develops a central recruiting strategy, but the central office works with regional offices to conduct recruiting events and compile lists of qualified applicants. Local hiring managers then conduct interviews and make hiring decisions.

– Once new hires successfully graduate from the program, the hiring organization is responsible for placing them into billets. Supervisors and employees have input into placement decisions based on their experience with different types of work, but these decisions are made locally by the major DLA activities, not dictated by DLA headquarters.

- MDA is by far the smallest of the DOD cohort-hiring programs, with 25 to 50 new hires to support an overall workforce of 2,600 employees. Most cohort positions are offered at a single location (Redstone Arsenal in Alabama), but a

few are available in Colorado and Virginia. Each location conducts its own interviews, runs its own hiring panels, and makes its own hiring decisions.

- When new hires graduate from the program, almost all go back to the organization that hired them, although a few changes of location have been made on the basis of employee preferences.

- The Air Force PAQ and COP programs provide substantial flexibility to local commands while providing some central recruiting and hiring resources. Personnel in the Air Force Talent Acquisition Cell typically post notices and work with career field managers to review résumés, conduct interviews, and develop a pool of program participants. In some cases, the Talent Acquisition Cell will push names of potential new hires to the field. In other cases, hiring managers choose to do their own recruiting and may even compete against each other for the same recruits. Hiring managers in local commands are responsible for making individual hiring decisions. Some Air Force career field managers would like to play a larger role in hiring decisions but face pushback from local hiring managers who believe that they are best positioned to understand local needs.[73]

  - New hires under the PAQ program become permanent employees after the completion of their two-year probationary periods. Upon graduation, they must be placed in billets by the local organization that hired them. If the local organization is overstaffed and cannot place them, the MAJCOM is responsible for finding a permanent placement. Placement decisions are generally made six months in advance of graduation; thus, if a local organization has difficulty finding a slot (a rare occurrence), the MAJCOM has six months to address the issue.

- The Navy career internship programs—the NADP for acquisition professionals and similar programs for human resources and financial management professionals—use a mix of centralized and local recruiting and hiring. The NACC, the NETC, and the Office of Civilian Human Resources (OCHR) play a role in the recruiting process by publishing notices and working with hiring commands to screen applicants for qualifications and eligibility. Central resources are available to assist with recruiting, but MAJCOMs often rely on independent recruiting programs. Under the NADP, participating commands generally make their own hiring decisions; however, under the Navy's smaller human resources and financial management programs before it was terminated last year, hiring decisions were made centrally.

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[73] By contrast, all hiring is done centrally for the Air Force PCIP. Hiring managers for participating organizations do not have any say in who their summer interns will be.

– New hires under the NADP become permanent employees after completion of their two-year probationary periods. Navy interviewees reported that 95 to 98 percent of program participants graduate from the program. Only a handful fail to complete the program (mostly because they are unable to adjust to federal employment) and have to be separated before placement. Placement is the responsibility of the hiring command.

- The Army ACDP new hire program is centrally funded, but it is not a cohort-hiring program. New hires are brought on board as individuals, not as a cohort, and all recruiting and hiring decisions are in the hands of local hiring managers. The placement of new hires into permanent positions is the sole responsibility of the hiring command. The IDA team did not obtain specific information on the hiring practices of the logistics subprogram, which uses a cohort-hiring approach.

Almost all DOD cohort-hiring programs provide central funding and billets for new hires even when hiring decisions are in the hands of local commands. To the outside observer, it might seem that it makes little difference from which pocket the funding comes; however, the funding source changes incentives for program participation. Centrally funded hires appear to be "free" to local commands, which makes program participation an attractive alternative. The price of participation is that the local command is required to provide a billet and pick up salary costs after the employee graduates from the cohort program. The larger organization benefits by raising the quality of new hires and ensuring that they are fully trained and attuned to the organization's mission.

Table 11 summarizes the funding status of DOD cohort-hiring programs, showing that only the DCAA auditors program requires local organizations to provide billets and fund program participation for their new hires.

Table 11. Centralization of Billets and Funding

Organization	Program Name	Funding and Billets	Funding Source
DCAA	Auditors	Local	O&M
DCMA	Keystone	Central	DAWDA/O&M
DLA	PaCE	Central	WCF
MDA	MDCDP	Central	DAWDA/O&M
Air Force	PAQ and COP	Central	O&M
Navy	NADP	Central	DAWDA
Army	ACDP	Central	O&M

Note: O&M refers to the Operations and Maintenance account, DAWDA refers to the Defense Acquisition Workforce Development Account (formerly the Defense Acquisition Workforce Development Fund), and WCF refers to the Working Capital Fund.

C. Cost and Funding

The availability of funding remains a constraint on the expansion of DOD cohort-hiring programs.

Generally, new hires in a cohort-hiring program appear to spend most of their time on work similar to that performed by other new hires in their organizations. Much of the training in which they participate is also available to other new hires. There is no net cost to the Department for these activities. However, most program participants spend at least some of their time in training, rotations, or group activities that are not available to other employees. An agency with a cohort-hiring program incurs added costs to run the program, pay for the added activities, and pay the salary costs of participants when they are engaged in such activities.

For example, if the average new hire in a cohort-hiring program spends three months in training and rotational programs and group activities that are not available to other employees outside of normal work duties over a two- to three-year period, the salary cost to the agency over that time would be on the order of $10,000 per employee (a quarter of the annual salary of a GS-7 employee). While this added expense is substantially lower than the expense of bringing on a new hire through a scholarship or fellowship program such as the SMART program (which costs on the order of $50,000 per student per year), the cost to the Department is not negligible.

These added costs would be offset by any savings achieved through more efficient group hiring and training procedures, plus non-monetary benefits, which include higher quality recruits, better trained employees, and increased cohesion and group identity. While IDA interviewees downplayed the efficiency benefits of cohort hiring, the non-monetary benefits appear to be substantial. As a result, a well-designed cohort-hiring program appears likely to result in significant net benefits for participating organizations.

The vulnerability of cohort-hiring programs to budget cuts may be increased, however, by the gap between the actual and perceived costs of the programs. The *perceived* cost of a cohort-hiring program is the program budget, the largest component of which is the salary of program participants. However, none of the agencies with cohort-hiring programs reported to the IDA team that they increased the number of new hires as a result of the programs. On the contrary, most programs had to ration slots, which means that they were unable to accommodate all the potentially eligible new hires for inclusion in the program. Moreover, participants in DOD cohort-hiring programs spend the majority of their time in work assignments with the unit to which they will eventually be assigned.

If the same number of new employees would have been hired with or without the program and would have spent most of their time doing the same work, then the only additional salary cost is for time spent in activities outside normal work assignments (e.g., training and group activities). Interviews indicated that cohort hires spend a quarter of their

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time or less (often substantially less) in such activities, so the actual cost of the program is a fraction of the perceived cost. The perception that the salary of new hires is a component of cohort-hiring costs is the flip side of the perception of program offices that they receive "free labor" when they participate in a cohort program.

To maintain central funding, each cohort-hiring program needs a stable funding source. The central authority could, in theory, simply "commandeer" funds previously allocated to subordinate organizations for locally-controlled hiring, but this direct approach would appear alien to an organization that traditionally works on a consensus basis. Table 11 shows that DOD organizations have used a variety of funding sources for their cohort-hiring programs, including O&M funding, WCF, and DAWDA funding.

Maintaining a stable source of funding has been a challenge for several programs. Programs that have relied on DAWDA funding in previous years have been squeezed by recent cuts to that account. Programs that have relied on institutional funding have also been squeezed by efforts to cut overhead and headquarters spending. As a result, the Navy eliminated its Human Resources Internship Program this year, potentially stranding several hundred program participants who are no longer funded for program completion. The Army froze hiring for almost a year, which resulted in a gap in enrollments in its ACDP new hire program. Even Air Force, with the most robust program among the military departments, has been required to ration slots in the PAQ and COP programs because of a constrained budget. Funding issues for each of the DOD cohort-hiring programs are as follows:

- DCAA is the sole DOD organization that requires its local units to pay for the cost of cohort-hiring program participants out of their own O&M funds. A DCAA interviewee told the IDA team that this approach is consistent with the agency's policy that each region gets funded for—and pays for—the manning on its books. It appears that DCAA does not need the incentive of central funding, because all auditors are required to go through the cohort-hiring program and local units do not have any choice but to participate.

- DCMA has historically funded the Keystone program with DAWDA funds. Since DAWDA funding has been cut in recent years, however, DCMA has funded an increasing share of the program with its own O&M funding. Keystone graduates go into full-time billets in local units, which are then responsible for picking up full salary costs. A DCMA interviewee reported that the availability of DAWDA funds made a big difference in building up the program, so the reduction in this source of funding is likely to put pressure on the program in future years.

- DLA is an acquisition agency that is eligible for DAWDA funds. However, DLA interviewees reported that they avoided reliance on DAWDA to fund the PaCE program because they recognized that this funding could be "taken away in an instant." DLA largely pays for the PaCE program out of WCF funds, although some of the operating costs are paid with O&M dollars. DLA officials told the IDA team that they got a "wirebrushing" for their cohort-hiring program in the recent Fourth Estate budget review process. They stated that they will be able to maintain the program despite recent budget cuts, but it would be a much greater challenge to establish a new cohort-hiring program in the current funding environment.

- MDA relied on DAWDA funding for its cohort-hiring program from 2009 to 2020. In 2021, the program was moved to MDA O&M funding because of cuts to DAWDA. It is worth noting, however, that the agency plans to fund only twenty-five cohort-hiring slots in 2021—roughly half the size of the program in previous years.

- The Air Force centrally funds the PAQ and COP programs with headquarters O&M funding. While the O&M account has provided a fairly stable source of funding, limitations on funding availability have consistently required the Air Force to ration slots in the program. Each year, the Air Force puts out a data call to assess demand from the MAJCOMs and to apportion PAQ and COP slots based on available budget. The program was growing for a number of years until budget cuts started to put pressure on headquarters budgets. As a result, the program is not able to cover all hiring needs for skilled professionals in covered occupational fields.

- The Navy centrally funds its NADP program with DAWDA funds. Positions are allocated to the systems commands based on demand and available funding. With the reduction in DAWDA funding, the NADP has not been able to meet all local command needs for new acquisition professionals. The situation for the smaller human resources and financial management programs, which rely on Navy O&M funding, is worse. In 2021, the Navy abruptly terminated its Human Resources Internship Program, potentially stranding participants who had completed the first year of the program but are no longer funded to complete the second year and graduate. Navy interviewees told the IDA team that there had been internal discussions about the possibility of select Navy commands getting together and self-funding completion for their program participants, but the issue remained unresolved at the time of the interviews.

- The Army ACDP new hire program is not a cohort-hiring program, but it is centrally funded out of Army O&M accounts. The program is sized on the basis of available funding rather than on the basis of demand. Army interviewees told

the IDA team that spots in the programs are allocated to career fields and to commands based on a data call to assess demand. The program has to allocate slots because funding is not sufficient to meet demand. Local commands are required to provide billets and funding for program graduates.

D. Workforce Diversity

Because DOD organizations generally hire civilian employees on a position-by-position basis, they are usually in a position of trying to maintain a diverse workforce one position at a time. This approach faces an inherent difficulty. While diversity factors can be considered for an individual hire, workforce mix cannot be assessed for a single position.

Cohort hiring offers a potential way out of this difficulty. An organization that brings on new hires as a class rather than as individuals has an opportunity to consider the diversity of new hires as a group rather than as individuals. In addition, DHA (which is now used by almost all the cohort-hiring programs identified by the IDA team) enables agencies to take a more proactive and targeted approach to recruiting and hiring that could be applied to achieve a more diverse workforce.

IDA examined whether cohort-hiring agencies have taken advantage of these opportunities to ensure a greater level of diversity among their new hires. Interviewees from cohort-hiring organizations described extensive efforts to increase workforce diversity by targeting recruiting at affinity organizations and minority-serving institutions. For example,

- DCAA interviewees stated that the agency has an extensive outreach program that targets minority colleges and the minority populations at other colleges. DCAA also uses the Handshake virtual platform to target geographic, race, gender, and ethnic diversity. Diversity does not factor into interviews or hiring decisions; rather, the agency attempts to ensure diversity by using its direct-hiring tools to develop a diverse candidate pool from which to select.

- Interviewees from the Army Combat Capability Development Command, the Naval Sea Systems Command, and the Air Force Materiel Command told the IDA team that they use DHA to enhance diversity by targeting affinity events and institutions with significant minority populations.

- Navy interviewees reported that the Department reviews its career cohorts for diversity by command, occupation, and geographic region and works to build up hiring pools for underrepresented populations.

- Interviewees at the AFPC stated that they put significant efforts into building enduring relationships with historically black colleges and universities and other minority-serving institutions.

Efforts to target affinity groups and minority-serving institutions are widespread in the Department and are not unique to cohort-hiring organizations. While cohort-hiring organizations appear to perform relatively well in terms of racial, ethnic, and gender diversity, these advantages may be more attributable to their use of direct-hiring authority than to the opportunities provided by cohort-hiring approaches.

The AFPC provided demographic data that compared the diversity of Air Force cohort-hiring programs to the overall diversity of the Air Force civilian workforce. Table 12 shows that PAQ and COP participants are roughly as diverse as Air Force civilian employees as a whole, with similar ratios of White, Black/African American, and Hispanic employees.

Table 12. Air Force Diversity for Cohort and Non-Cohort Hires

Demographics	Air Force Wide (2019)	PAQ/COP
Asian	3.69% (5,350)	5.1% (98)
American Indian/Native Alaskan	1.2% (1,823)	0.4% (9)
Black/African American	13.28% (19,235)	11.4% (220)
Native Hawaiian	0.6% (863)	0.4% (8)
White	74.3% (104,248)	74.5% (1,430)
Multiple Races	3.0% (4,348)	4.7% (92)
No Race Reported	4.0% (5,838)	3.2% (62)
Hispanic/Latino	8.48% (12,285)	8.8% (168)
Not Hispanic/Latino	91.52% (132,584)	91.2% (1,751)
Total	**144,869**	**1,919**

Source: AFPC data.

Figure 18 shows that the PAQ and COP programs have been relatively successful at achieving gender diversity, with a workforce that is 56 percent male and 44 percent female (compared to 66 percent male and 33 percent female for new civilian hires in the Air Force as a whole). However, the Air Force cohort-hiring programs have been less successful in hiring veterans, with 88 percent of the workforce having no prior military experience. The relatively small number of veterans hired may be due in part to the use of direct hiring (which does not require the application of a veterans' preference). However, an equal or greater factor may be the fact that the PAQ and COP programs (like almost all cohort-hiring programs) focus on hiring college students and recent graduates for junior entry-level positions. As one DOD interviewee told the IDA team, any individual who has served on active duty is likely to enter the civilian workforce above an entry-level position. New hire data from the Defense Civilian Personnel Data System (CMIS/DCPDS) show similar trends.
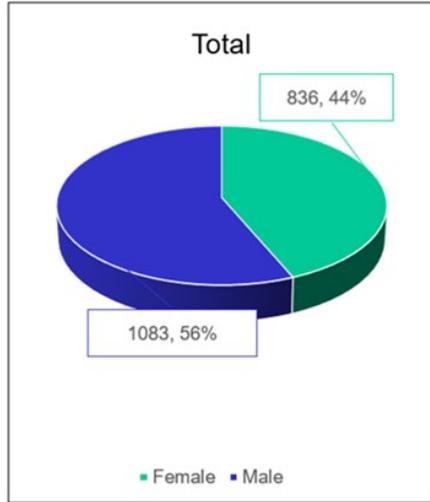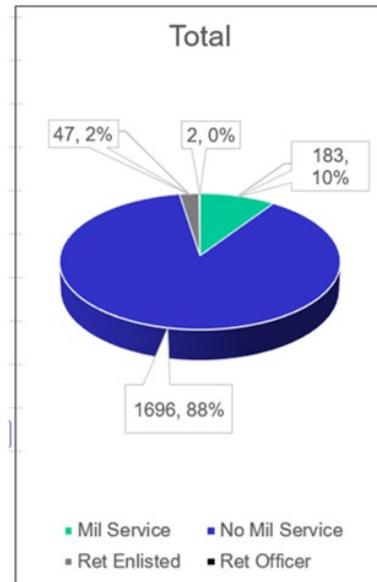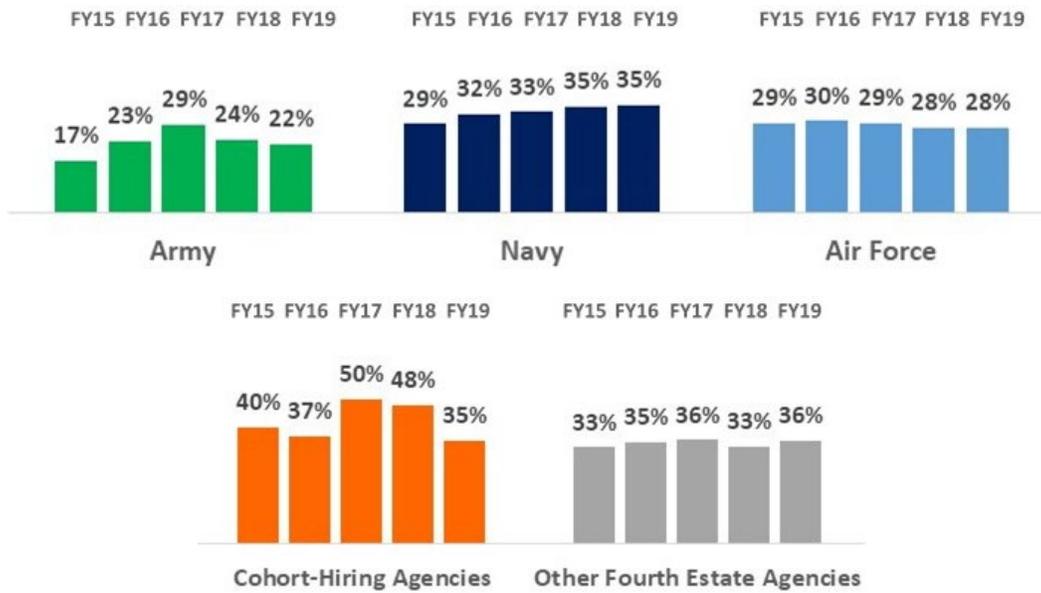
Source: AFPC data.

Figure 18. Gender and Prior Military Service Levels for Air Force PAQ/COP Participants

Figure 19 shows that cohort-hiring agencies have hired a greater percentage of minorities[74] on average from FY15 to FY19 (42 percent) than the military departments or other agency agencies (ranging from 23 percent in the Army to 34 percent in the rest of the Fourth Estate). However, cohort-hiring agencies show a drop from 48 percent minority new hires in FY18 to just 35 percent in FY19. It is too soon to determine whether this drop is the beginning of a trend or a one-time anomaly.

Figure 20 shows that the cohort-hiring agencies have been steadily increasing the percentage of women among new hires for the last five years and that these agencies now hire a percentage of women that is at least as high as any of the military departments. Cohort-hiring agencies increased the share of women among new hires from 30 percent in FY15 to 37 percent in FY19. Only the Department of the Navy increased its hiring of women by a comparable amount. However, other Fourth Estate agencies filled far more positions with women than either cohort-hiring agencies or the military departments, with annual rates ranging from 63 percent to 66 percent.

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[74] For this and other figures, the IDA team characterized the following non-White, non-Hispanic or Latino groups as minorities: American Indian/Alaskan Native, Asian, Black/African American, multiracial, Native Hawaiian/Pacific Islander, and Hispanic or Latino.

FY15 FY16 FY17 FY18 FY19   FY15 FY16 FY17 FY18 FY19   FY15 FY16 FY17 FY18 FY19

Army — 17% 23% 29% 24% 22%
Navy — 29% 32% 33% 35% 35%
Air Force — 29% 30% 29% 28% 28%

FY15 FY16 FY17 FY18 FY19   FY15 FY16 FY17 FY18 FY19

Cohort-Hiring Agencies — 40% 37% 50% 48% 35%
Other Fourth Estate Agencies — 33% 35% 36% 33% 36%

Source: DCPAS data.

Figure 19. Percentage of Minority New Hires by Agency Group

FY15 FY16 FY17 FY18 FY19   FY15 FY16 FY17 FY18 FY19   FY15 FY16 FY17 FY18 FY19

Army — 39% 40% 38% 36% 37%
Navy — 25% 27% 28% 30% 31%
Air Force — 31% 31% 30% 35% 33%

FY15 FY16 FY17 FY18 FY19   FY15 FY16 FY17 FY18 FY19

Cohort-Hiring Agencies — 30% 34% 35% 35% 37%
Other Fourth Estate Agencies — 64% 63% 63% 65% 66%
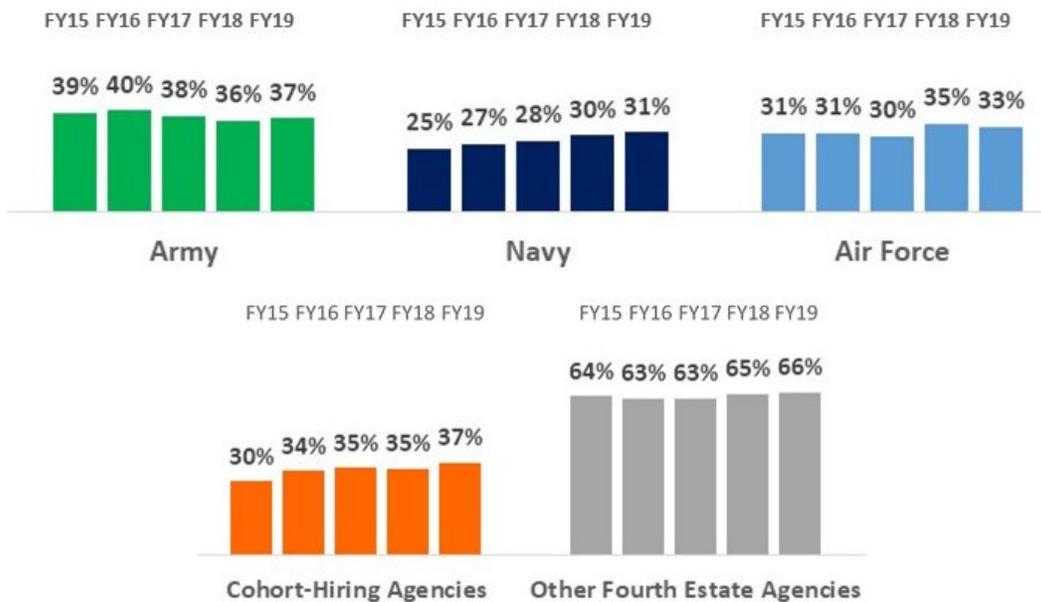
Source: DCPAS data.

Figure 20. Percentage of Female New Hires by Agency Category

Figure 21 shows that the percentage of veterans among new hires at cohort-hiring agencies is roughly the same as the percentage of veterans among new hires at the three military departments. In each case, the share of veterans has measurably decreased over the last five years, from around 50 percent in FY15 to around 40 percent in FY19. IDA does not have sufficient information to determine whether the cause of this decline is a

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change in hiring practices in the Department, the overall decline of the number of veterans in the country, or some other factor.[75] Throughout this period, however, the share of veterans among new hires at cohort-hiring agencies remained significantly higher than the share of veterans among new hires in other Fourth Estate agencies.
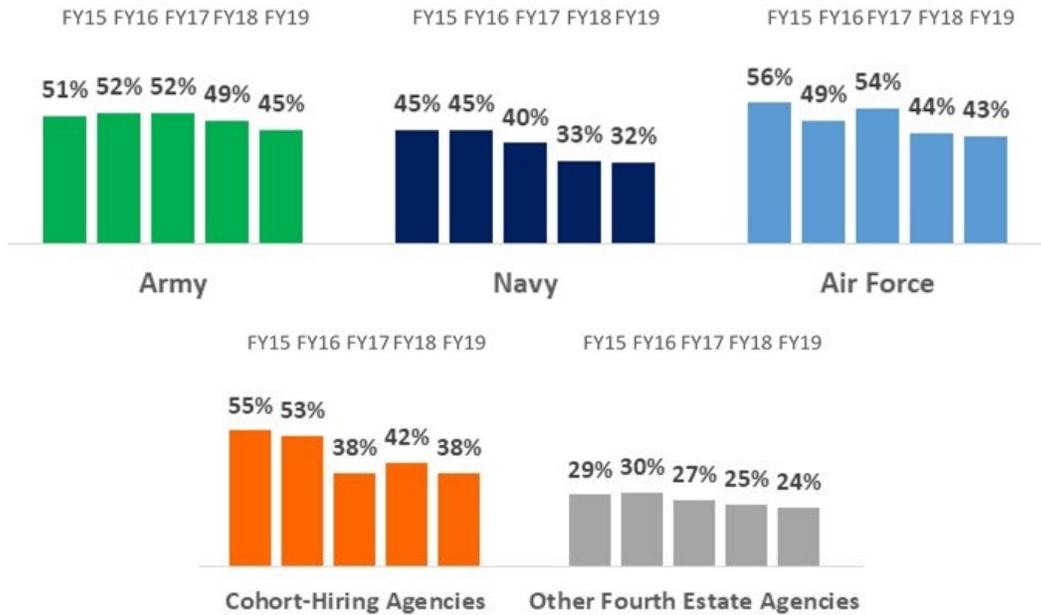
Source: DCPAS data.

Figure 21. Percentage of Veteran New Hires by Agency Category

DOD interviewees told the IDA team that DHA, which is now the predominant form of hiring in all cohort-hiring agencies except DLA, allows them to increase minority representation by targeting recruiting efforts to historically underrepresented groups. These statements are consistent with data from across the Department showing that DHA results in new hires who are collectively more diverse in terms of race and gender (but includes fewer veterans) than traditional delegated examining authority.

Figure 22 provides a simple comparison of the percentage of minorities among DHA and non-DHA new hires over the five-year period from 2015 to 2019, showing a slightly higher percentage of minorities among non-DHA new hires.

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[75] The increased use of DHA throughout the Department is one possible contributing factor. A second contributing factor could be the congressional reinstatement of the 180-day cooling-off period before a departing service member can be rehired as a civilian. See National Defense Authorization Act (NDAA) for Fiscal Year 2017, Pub. L. 114-328, 130 Stat. 2000, 114th Cong. (2016), SEC. 1111, https://www.congress.gov/114/plaws/publ328/PLAW-114publ328.pdf.
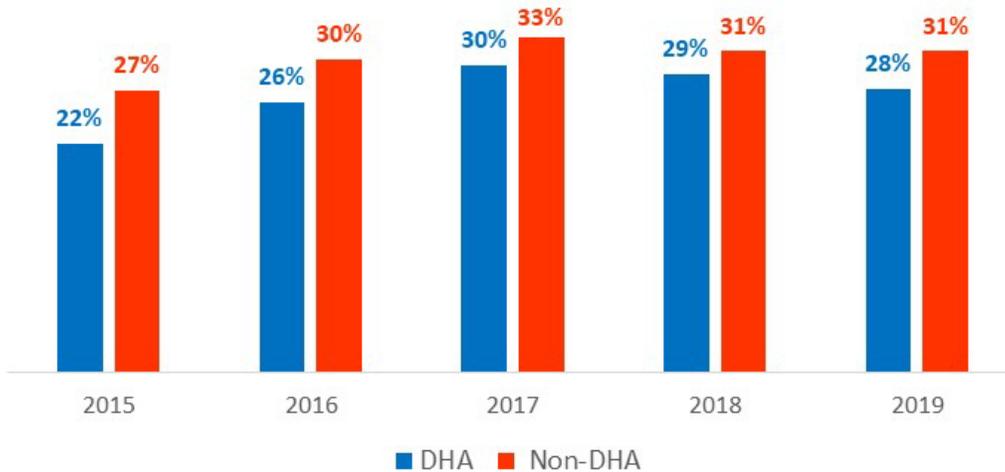
Source: DCPAS data.

Figure 22. Percentage Minority New Hires, DHA and Non-DHA

However, DHA hires include a significantly higher percentage of STEM positions than non-DHA hires. Because minorities have been historically underrepresented in hiring for STEM positions, the difference in types of jobs covered could distort the diversity comparison between DHA and non-DHA hiring. An apples-to-apples comparison can be achieved by comparing the percentage of minorities among DHA and non-DHA new hires for STEM positions only. Figure 23 makes this comparison, showing that a higher percentage of minority representation in STEM positions has been achieved through DHA than through other types of hiring.
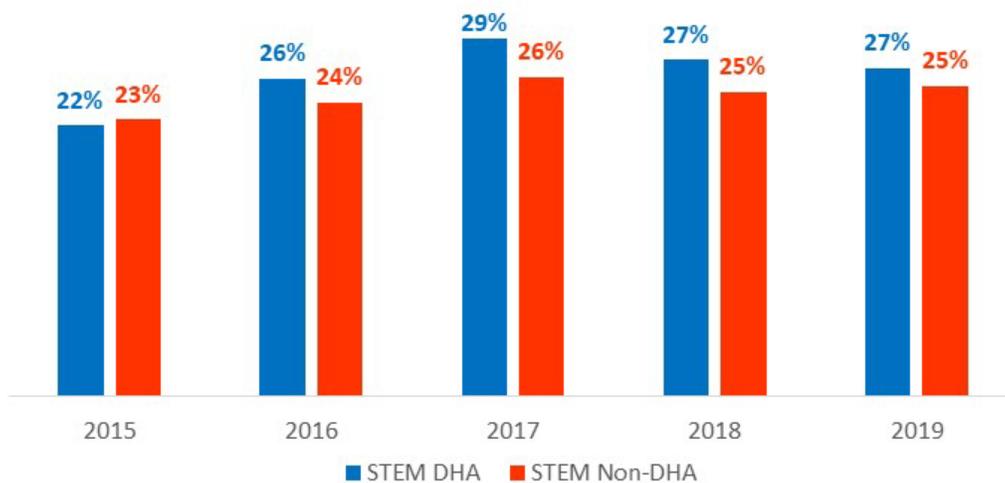
Source: DCPAS data.

Figure 23. Percentage Minority Stem New Hires, DHA and Non-DHA

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The difference is much more dramatic when it comes to female representation among new hires. Figure 24 shows a simple comparison of female representation among new hires pursuant to DHA and non-DHA authorities, showing a that DHA resulted in roughly ten percentage points more women among new hires in FY15 through FY17, although that disparity disappears in FY18 and FY19.
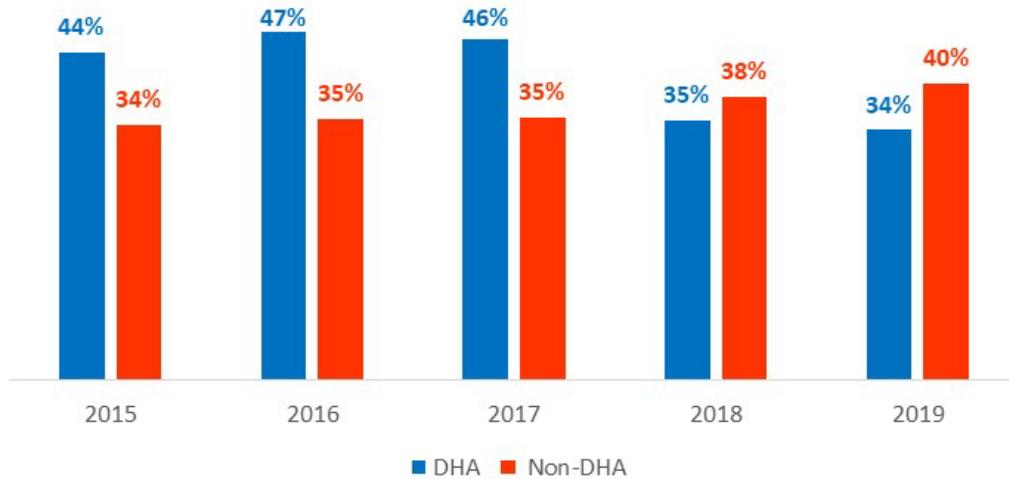
Source: DCPAS data.

Figure 24. Percentage Women New Hires, DHA and Non-DHA

Again, an apples-to-apples comparison can be made by limiting consideration to STEM new hires only. Figure 25 shows that DHA resulted in significantly more women among STEM new hires, with female representation in excess of 40 percent—almost twice the level of female representation achieved by non-DHA authorities. While that differential declined in FY18 and FY19, the gap remained substantial.
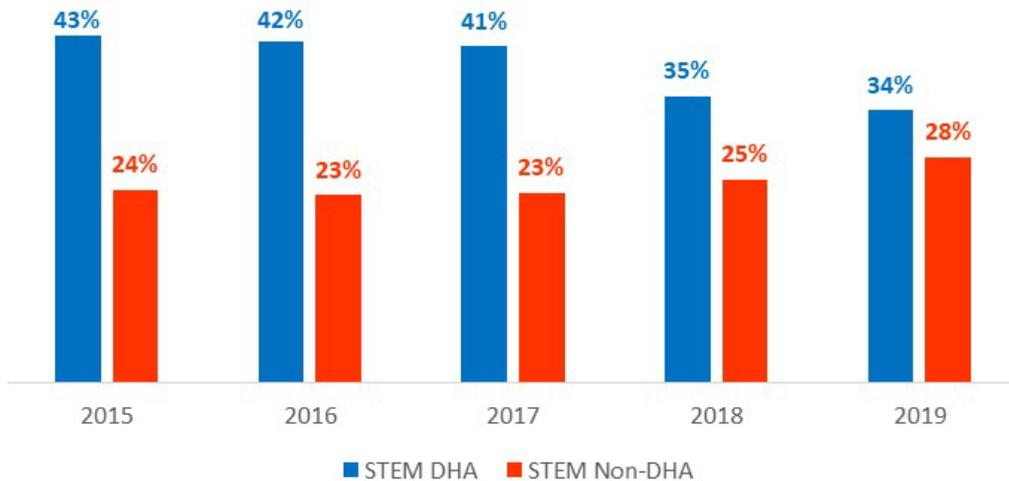
Source: DCPAS data.

Figure 25. Percentage Women Stem New Hires, DHA and Non-DHA

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The success of DHA hiring in increasing the representation of minorities and females in the DOD workforce must be balanced against the extremely low percentage of veterans among DHA hires. Figure 26 shows that about half of non-DHA new hires are veterans, compared to about one-fifth of DHA new hires.
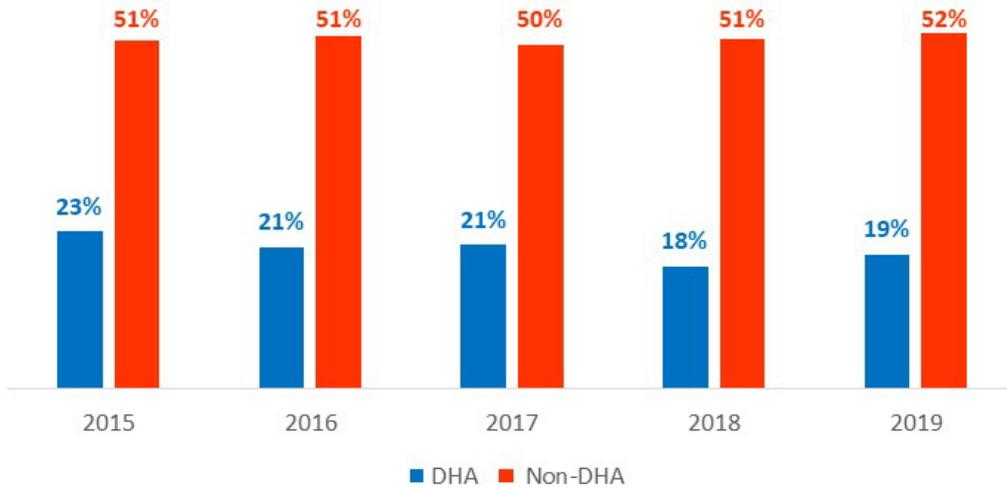
Figure 26. Percentage Veteran New Hires, DHA and Non-DHA

Figure 27 shows that gap grows among STEM positions, with veterans averaging around 60 percent of non-DHA STEM hires, compared to 20 percent of DHA STEM hires. The relatively low percentage of veterans among DHA STEM hires may be directly related to the relatively high percentage of women, as predominantly male veterans carrying a competitive preference could tend to crowd out women among non-DHA hires.
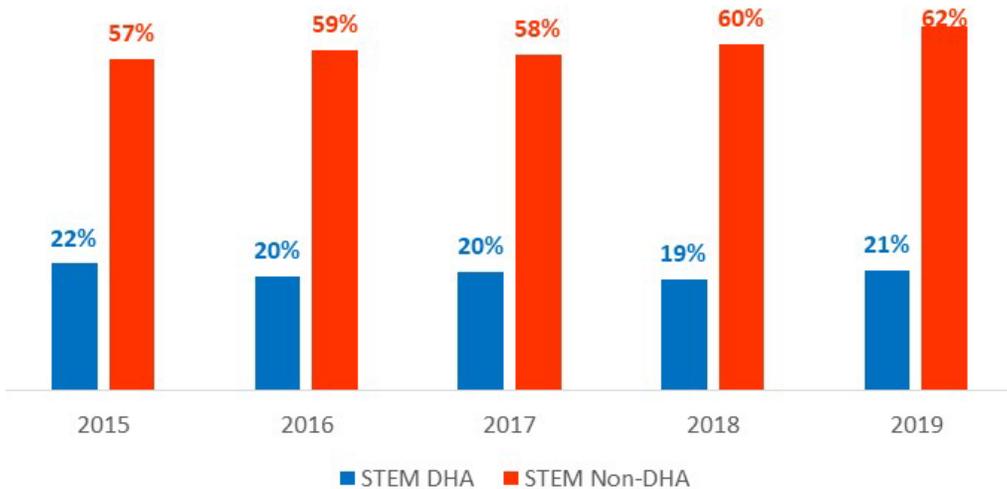
Figure 27. Percentage Veteran Stem New Hires, DHA and Non-DHA

Finally, the IDA team reviewed data from the FEVS survey to assess the views of federal employees about whether their agencies are making appropriate efforts to promote diversity in the workplace. In general, 2019 FEVS respondents in cohort-hiring agencies are more likely to agree that policies and programs promote diversity in the workplace (e.g., recruiting minorities and women, training in awareness of diversity issues, mentoring).

As Figure 28 shows, 66 percent of respondents in the DOD cohort-hiring agencies agree that their agencies promote diversity compared to 58 percent in other DOD agencies and 59 in non-DOD agencies.
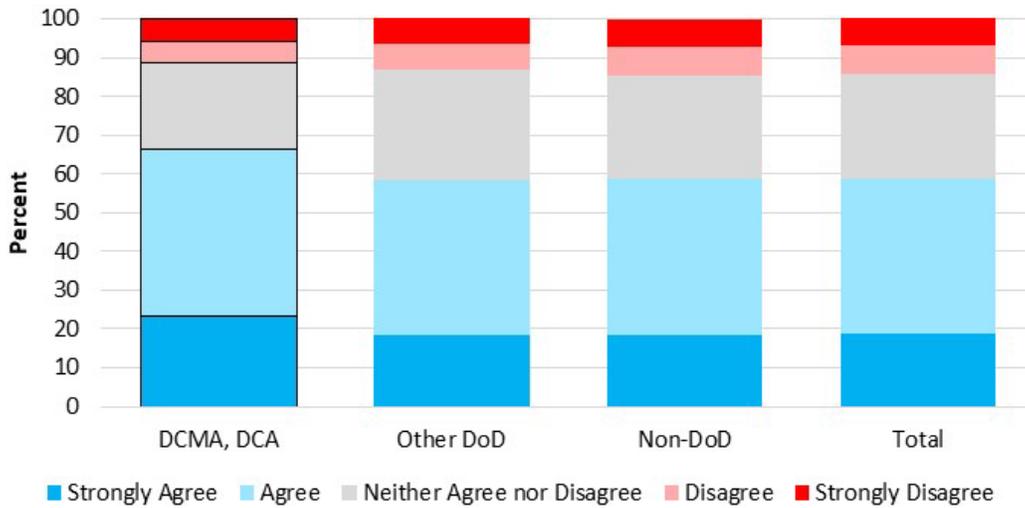
Note: Policies and programs promote diversity in the workplace (e.g., recruiting minorities and women, training in awareness of diversity issues, mentoring) (All Responses) (Aggregated Categories).

Figure 28. Survey Data on Diversity by Agency Group

Between 63 percent (DLA) and 78 percent (DCAA) of respondents agree that the policies and programs in place promote diversity compared to 58 percent in the rest of the Fourth Estate, 58 percent in the Army, 60 percent in the Navy, and 56 percent in the Air Force. Likewise, in non-DOD agencies, we see that in the cohort-hiring FDA 67 percent of respondents agree that policies support diversity compared to 58 percent on average in other non-DOD organizations.[76]

In short, the combination of cohort hiring and DHA appears to have produced a group of new hires that is more diverse in terms of representation of minorities and women than

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[76] We also examined responses to this question by women and minorities. The patterns across the organizations is similar. Women and minorities in cohort-hiring agencies are more likely to agree that policies and programs promote diversity than women and minorities in non-cohort-hiring agencies. Women and minorities were more likely to agree that the policies and programs promote diversity if they were being implements in organizations that had higher shares of women and minorities.

the workforce that is acquired through non-DHA authorities and outside of cohort-hiring programs.

E.   Data and Metrics

The Department does not maintain any central list or record of cohort-hiring programs or other innovative hiring approaches. Indeed, there is no standard definition or DOD guidance that explains what a cohort-hiring program is. For this reason, IDA was able to identify cohort-hiring programs only by reaching out and interviewing human resources leaders across DOD about their hiring processes.

The collection of data on cohort hiring was made even more difficult by the fact that no component relies exclusively on cohort hiring for all its new hires and DOD personnel records do not distinguish cohort hires from other new hires. As explained previously, IDA attempted to assess the impact of cohort hiring by identifying agencies that rely on cohort-hiring programs for a significant share of their new employees with college degrees and comparing these agencies to defense organizations that rely on cohort hiring to a much smaller degree, if at all.

The IDA team also asked cohort-hiring organizations if they maintained records on their own cohort-hiring programs. With a few exceptions, these organizations do not seem to have a systematic, centralized system for collecting metrics on cohort hiring. Particular hiring organizations may do so, but the IDA team did not encounter any centralized collection at the service or agency level. Thus, reporting is neither comprehensive at those levels nor comparable across the various services and agencies.

A senior official at DCAA described challenges in using metrics to gauge the success of that agency's cohort-hiring program. One human resources team recruits candidates into that program and then hands off to human resources service providers who complete the employment process. That split has hindered the agency from settling on a single set of metrics. In addition, the agency attempted to assign metrics tracking to one employee who already had other full-time duties. That approach did not work well, so, at the time of our interview, the agency was hoping to hire a new employee whose job would consist solely of collecting data and generating reports on the success of their cohort-hiring program.

The AFPC provided IDA with select data on its PAQ and COP programs (without distinguishing between the two). This information included diversity data (discussed in Section 7.D, see Table 12 and Figure 18), which shows that the PAQ and COP programs roughly match the Air Force for diversity but hire significantly fewer veterans. It also includes data on retention (see Figure 12), which shows that civilians who were hired through the PAQ and COP programs remain with the Air Force at higher rates than other civilians. Finally, AFPC provided IDA with the most recent three years of data on combined STEM acquisitions under the PAQ and COP programs, shown in Figure 29.
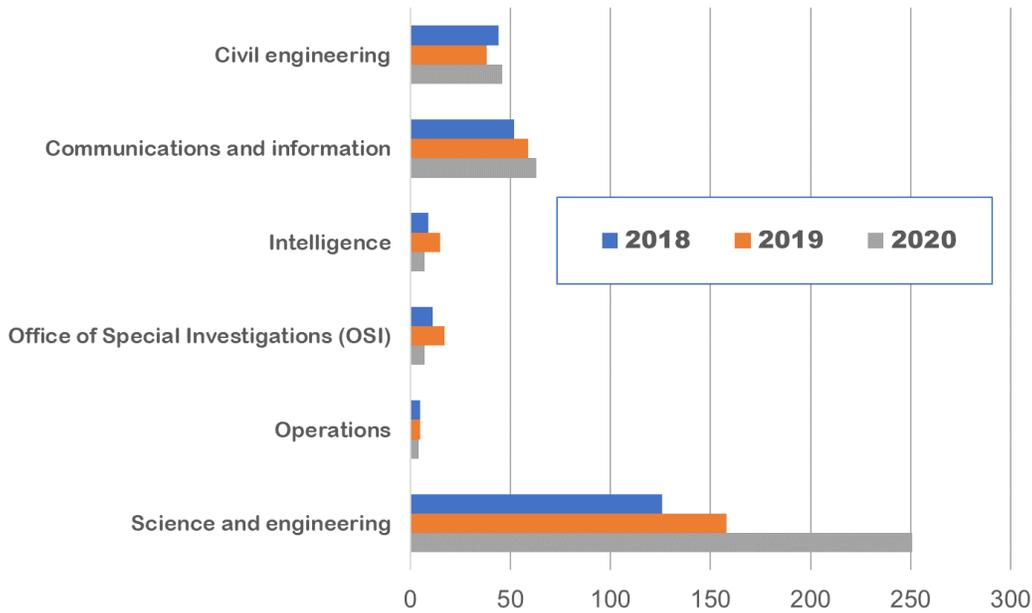
Source: AFPC data.

Figure 29. PAQ/COP Stem Accessions by Career Field and Fiscal Year

The grand totals for the PAQ and COP programs across all identified STEM fields were 247 accessions in 2018, increasing to 292 accessions in 2019 and 378 in 2020.

A more complete set of metrics for monitoring the success of cohort-hiring programs across the Department might be expected to include, for each of the major programs, the following:

- Numbers of employees starting the program, by specialty (particularly STEM fields);
- Numbers (percentage) completing the program, by specialty;
- Numbers (percentage) retained beyond completion of the program, by specialty;
- Numbers of direct hires and competitive hires through the program;
- The cost of the program;
- Any quality measures for program participants or measures of manager views on the quality of program participants;
- Diversity profile of employees who start and complete the program; and
- Retention, grade, and compensation metrics for graduates of the program.

Data along these lines would enable the Department to assess the effectiveness of these programs by comparison to each other and by comparison to other hiring across the Department. It would also enable the Department to make informed investment decisions and adjustments to ongoing programs. However, most of the desired data are not currently collected by the Department, and most of these data do not appear to be collected by any of the DOD organizations with existing cohort-hiring programs.

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8.   Recommendations

Cohort hiring is a best practice for private sector organizations that seek to on board a critical mass of entry-level employees for professional positions and to retain them in the organization for a significant period of time. State-of-the-art private sector programs appear to include training and education, rotational programs, the use of mentors and coaches, and teambuilding activities. Military recruiting uses similar cohort practices, bringing on board classes of new recruits and putting them through training together.

IDA identified a number of DOD organizations that have developed cohort-hiring programs. A review of these programs provides indications that cohort hiring in the Department can result in a higher quality of new hires, strong training and development, better employee engagement and retention, and some process efficiencies. These programs also provide tools that could be used to increase diversity in the Department's civilian workforce.

IDA concludes that cohort hiring, when applied to organizations that conduct appropriate strategic planning and identify a need for a critical mass of new hires in entry-level professional positions, is a best practice that has a strong potential to improve recruiting, engagement, and retention and otherwise strengthen the civilian workforce.

While the need for a particular program should always be assessed on an organization-by-organization basis, IDA concludes that the Department should take several steps to make it easier for defense organizations to adopt cohort-hiring practices in appropriate circumstances. In particular, IDA recommends the following:

- **Recommendation #1.** The Under Secretary of Defense for Personnel and Readiness, acting through CPP, should develop a best practices guide that provides information to DOD organizations on the features and benefits of cohort hiring and how and when they should be applied.

- **Recommendation #2.** The Under Secretary should collect information on cohort-hiring programs across the Department and develop a set of metrics for tracking the performance of these programs in comparison to each other and to other DOD hiring approaches.

- **Recommendation #3.** The military departments and defense agencies should develop systematic hiring programs that invest in entry-level civilian employees with critical skills and/or leadership qualities and build cohort-based features into those programs that are appropriate to the circumstances.

A. Recommendation 1: Best Practices

The Under Secretary of Defense for Personnel and Readiness advises the Secretary of Defense and establishes DOD-wide civilian personnel policy, including staffing, workforce relations, pay, classification, leave, and benefits policy. However, the Under Secretary does not actually manage any of the Department's civilian personnel systems. Managing these systems is the responsibility of the military departments and defense agencies.

For this reason, the Under Secretary is not in a position to implement a cohort-hiring program for any specific element of the defense civilian workforce. Also, it would not be appropriate for the Under Secretary to direct the military departments or defense agencies to implement such programs, because unique circumstances in each organization determine whether such a program would be appropriate and, if so, how it should be scoped.

However, the Under Secretary, acting through CPP and DCPAS does provide advice and assistance to the defense organizations on how to manage their civilian personnel systems. In this capacity, CPP and DCPAS can contribute to the improvement of civilian personnel practices by identifying and propagating best practices, while allowing the military departments and defense agencies to assess their own needs and applications.

The IDA team has concluded that cohort hiring is one such best practice. Accordingly, IDA recommends the following:

The Under Secretary of Defense for Personnel and Readiness, acting through CPP, should develop a best practices guide that provides information to DOD organizations on the features and benefits of cohort hiring and how and when they should be applied.

The best practices document should, at a minimum, provide guidance on

- *The types of organizations, career fields, and positions for which cohort hiring may be beneficial.*
- *Issues to be addressed in cohort-hiring programs, including*
  – *The development of hiring requirements,*
  – *Responsibility for recruiting and hiring,*
  – *Organizational control over billets and funding,*
  – *The distribution and placement of program participants, and*
  – *Maintaining diversity in the workforce.*
- *Models and examples for the development of*
  – *Training and education programs,*
  – *Cohesion-building programs and activities,*
  – *Career-building rotation programs.*
- *Mentorship and coaching systems.*

B. Recommendation 2: Metrics

The Department does not maintain any central list or record of cohort-hiring programs or associated hiring approaches. Indeed, no standard definition or DOD guidance is available to explain what a cohort-hiring program is. For this reason, IDA was able to identify cohort-hiring programs only by reaching out and interviewing human resources leaders across the DOD organization about their hiring processes. In these circumstances, it is hardly surprising that there is no central repository of data on cohort-hiring programs in the Department.

The collection of data on cohort hiring is made even more difficult by the fact that no component relies exclusively on cohort hiring for all its new hires, and DOD personnel records do not distinguish cohort hires from other new hires. As explained previously, IDA attempted to assess the impact of cohort hiring by identifying agencies that rely on cohort-hiring programs for a significant share of their new employees with college degrees and comparing them to defense organizations that rely on cohort hiring to a much smaller degree, if at all.

Systematic data collection would enable the military departments and defense agencies to see the beneficial impact that cohort-hiring practices can have on organizational effectiveness. It would enable them to monitor their own programs and compare their results to results achieved by other organizations, helping them to fine-tune their cohort-hiring practices. It would also provide valuable information to support them in their efforts to appropriately size and scope their cohort-hiring programs.

In short, better data on cohort-hiring programs would likely lead to broader and more optimal use of such programs. Accordingly, IDA recommends the following:

> *The Under Secretary of Defense for Personnel and Readiness should systematically identify cohort-hiring programs in DOD organizations, collect information on the features of the programs, and develop a set of metrics for tracking the performance of cohort-hiring programs in comparison to each other and to other DOD hiring approaches.*
>
> *The metrics should, at a minimum, address*
> - *The objectives of each program, including categories of employees covered;*
> - *The number of annual new hires in the organization;*
> - *The number of annual new hires participating in the program;*
> - *Whether the program relies on direct hiring or competitive hiring;*
> - *The nature and extent of common training and education activities in the program;*
> - *The nature and extent of any rotational job experience provided by the program;*

- *The cost of the program, including the cost of added training and education activities;*
- *Quality and diversity metrics for new hires through the program;*
- *Program satisfaction data for managers and program participants; and*
- *Retention metrics for program participants over time.*

C.   Recommendation 3: DOD Cohort-Hiring Programs

Two of the three military departments and several of the largest defense agencies already have cohort-hiring programs in place. The military department programs are required to ration slots because they are unable to meet demand from the field, indicating that they may be undersized. Specific to the DOD organization is the determination of whether a cohort-hiring program is likely to meet the its needs and, if so, how large the program should be. For this reason, a one-size-fits-all recommendation that DOD organizations establish or enlarge cohort-hiring programs would not be appropriate.

In general, however, organizations that show a commitment to their employees by investing in their training and development—through cohort-hiring mechanisms or through other means—appear to achieve better results in recruiting and retention, which is likely to produce a stronger, more productive workforce. In appropriate circumstances, cohort-hiring programs appear to provide an effective mechanism for such investments. Even where the implementation of a cohort hiring would not be appropriate, the selective application of key elements of cohort hiring may be productive. These elements could include deliberately sequenced rotations of formal training and on-the-job experience, the use of mentors and other advisors and collective experiences to build cohesion and mission commitment among new employees.

Accordingly, IDA recommends the following:

Each of the military departments and defense agencies should ensure that its entry-level civilian hiring programs serve as an effective gateway to leadership development and talent management and demonstrate to new employees that they are a valued resource by

- *Showing a willingness to invest in them,*
- *Engaging them with the organizational mission,*
- *Providing them with an environment in which to learn and grow, and*
- *Helping them find the best fit for their unique capabilities.*

To this end, the military departments and defense agencies should size the hiring programs to meet their requirements for entry-level civilian employees with critical skills and/or leadership qualities and build appropriate cohort-based features into the programs, including

- *Common training and education programs,*
- *Rotational job assignments,*

- *Mentors and coaches, and*
- *Group experiences (e.g., leadership briefings, teambuilding activities, and capstone assignments).*

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Appendix A.
Illustrations

Figures

Tables

Appendix B.
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Appendix C.
Abbreviations

ACDP	Army Career Development Program
ACQ Demo	Acquisition Demonstration program
ACTEDS	Army Civilian Training, Education, and Development System
AFGE	American Federation of Government Employees
AFPC	Air Force Personnel Center
CDC	Centers for Disease Control
CEE	Civil and Environmental Engineering
CFM	Career Field Manager
CMIS	Corporate Management Information System
COP	COPPER CAP
CPP	Civilian Personnel Policy
DAWDA	Defense Acquisition Workforce Development Account
DAWDF	Defense Acquisition Workforce Development Fund
DAWIA	Defense Acquisition Workforce Development Improvement Act
DCAA	Defense Contract Audit Agency
DCMA	Defense Contract Management Agency
DCPAS	Defense Civilian Personnel Advisory Service
DCPDS	Defense Civilian Personnel Data System
DHA	Direct Hire Authority
DLA	Defense Logistics Agency
DOD	Department of Defense
DoN, DON	Department of the Navy
FDA	Food and Drug Administration
FDIC	Federal Deposit Insurance Corporation
FEVS	Federal Employee Viewpoint Survey
FMCP	Financial Management Career Program
FY	Fiscal Year
GAGAS	Generally Accepted Government Auditing Standards
GS	General Schedule
IDA	Institute for Defense Analyses
IDP	Individual Development Plan
	Individual Development Program
JAIC	Joint Artificial Intelligence Center
Lab Demo	Laboratory Demonstration program
LOE	line of effort
MAJCOM	Major Command

MDA	Missile Defense Agency
MDCDP	Missile Defense Career Development Program
MDP	Master Development Plan
	Master Development Program
NACC	Naval Acquisition Career Center
NADP	Naval Acquisition Development Program
NBER	National Bureau of Economic Research
NDAA	National Defense Authorization Act
NETC	Naval Education and Training Command
O&M	Operations and Maintenance
OCHR	Office of Civilian Human Resources
OJT	on-the-job training
OPM	Office of Personnel Management
OUSD	Office of the Under Secretary of Defense
PaCE	Pathways to Career Excellence
PAQ	PALACE Acquire (program)
PCIP	Premier College Internship Program
PMF	Presidential Management Fellows
RDT&E	research, development, test and evaluation
S&T	science and technology
SMART	Science, Mathematics, and Research for Transformation
STEM	science, technology, engineering, and mathematics
UMBC	University of Maryland Baltimore Campus
WCF	Working Capital Fund

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14. ABSTRACT

Section 1109 of the National Defense Authorization Act for FY 2020 calls for an independent review to assess the feasibility and desirability of using cohort hiring, or hiring "talent pools," instead of conducting civilian hiring on a position-by-position basis. This Institute for Defense Analyses paper concludes that cohort hiring, when applied to organizations that conduct appropriate strategic planning and identify the need for a critical mass of new hires in entry-level professional positions, is a best practice that has a strong potential to improve recruiting, engagement and retention, and otherwise strengthen the civilian workforce.

15. SUBJECT TERMS

cohort hiring, talent pools, civilian workforce, direct hiring, succession planning, rotational assignments, cohesion and group identity, centralized hiring, workforce diversity

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