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College Students' Perceptions of the
Federal Government as an Employer

Statement of
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Senate Governmental Affairs Committee



COLLEGE STUDENTS' PERCEPTIONS OF
THE FEDERAL GOVERNMENT AS AN EMPLOYER

Summary of Statement by
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Many studies have pointed out the increasing intellectual sophistication and skill levels government work will require, and the resulting need for bright, capable employees to enter the federal service. In this environment, the federal government must ensure that it is in a competitive position to get its fair share of talented graduates. Unfortunately, GAO's work and studies by other groups, such as the National Commission on the Public Service, have shown that the government is not in a competitive position, and is already having difficulties recruiting and retaining quality people.

As part of its analysis of why recruiting problems are occurring, GAO is exploring the attitudes of prospective employees toward federal employment. GAO has held the first five of a planned series of conversations with groups of college and university students and newly hired federal employees. Although no conclusions can be drawn until the series is completed, several themes appear to be emerging in these conversations.

- One is that students say they do not know what jobs are available in the federal government. They consider the process for getting that information and seeking a federal job to be confusing, untimely, and difficult.
- Another theme is that students say they want fulfilling jobs, but believe that government work cannot provide excitement or satisfaction.
- A third theme is that those students who say they would like to work for federal agencies believe that they may not be able to afford to do so, particularly in high cost areas, due to the inadequacy of federal pay.

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here to discuss our findings to date in an assessment of how college students perceive the federal government as an employer.

Many studies, such as the Hudson Institute's Civil Service 2000, have concluded that the national workforce will grow more slowly than it has in recent years, with the number of young workers actually declining. On the other hand, these same studies point out the critical need for bright, capable employees to enter the federal service, in view of the increasing skill levels government work will require. In the face of these challenges, the federal government will have to ensure that it is in a competitive position to get its share of talented graduates.

Unfortunately, our work and studies by other groups, such as the National Commission on the Public Service (Volcker Commission), have shown that the government is already having difficulties in recruiting and retaining the quality people it needs. Given our concern about these problems, and the prospect that they may worsen as time goes by, we plan to study a number of issues related to federal recruitment and retention. One of these issues is the attitudes of students and other prospective employees toward federal employment.

We have held the first five of a planned series of conversations with groups of college and university students and newly hired federal employees. Two groups were composed of interns from the Washington Center, an organization which provides college students from across the country with internship experiences in Washington, D.C. The other three groups included new federal employees, hired within the past year. These new employees discussed their experiences in obtaining federal jobs.

Although no conclusions can be drawn before the discussion series is completed, several themes appear to be emerging in these conversations. One theme is that students say they do not know what jobs are available in the federal government. Students and new employees alike believe the process for getting that information and seeking a federal job is confusing, untimely, and difficult. Another theme is that students say they want fulfilling jobs, but believe that government work cannot provide excitement or satisfaction. Finally, even though some students say they would like to work for federal agencies, they believe that they may not be able to afford to do so, particularly in high cost areas, due to the inadequacy of federal pay.

The five groups provided some interesting insights into why students hold these perceptions. It might be helpful to the Subcommittee if I went into some detail about what they had to say. Also, another GAO group is completing a case study of

college recruiting at the Internal Revenue Service (IRS). I will share some preliminary findings from that study as well.

Problems in the Recruiting and Selection Process

Convincing students to work for the federal government requires aggressive recruiting and "user friendly" job application and selection procedures. Unfortunately, at a time when federal employment should be as accessible as possible, most students we talked to said they perceive the hiring process to be complex, rigid, and slow.

One problem raised in our discussions is the lack of useful and readily available information on federal employment. There was consensus in our discussions that students felt stymied when seeking answers to such basic questions as: "How do I apply for a federal job?". Many believed college placement offices have little more than the most general information, and several students who had found a way to contact the Office of Personnel Management (OPM), or a specific agency, said the people they spoke with could not answer their questions about particular occupations or jobs.

Another reported problem is that many federal agencies either do not actively recruit on college campuses, or may be using less than effective recruitment techniques. For example, the students

and new hires we spoke with generally believed that recruiting brochures, videos, and career fairs are too impersonal, and do little to attract potential employees. Most impressive to these young people were one-on-one contacts with agency employees who can forthrightly speak about their work. Students suggested this can be accomplished by knowledgeable, enthusiastic recruiters. Other suggestions were to invite students to visit an agency facility, and to have line managers make classroom presentations.

A third problem mentioned in our discussion groups is confusion about the job application process. Some of this confusion results because application processes differ if jobs are filled through OPM registers or directly by an agency. Also, some positions require a written exam while others do not.

In a common scenario, a student would contact OPM, receive a list of job openings, and be told to contact each agency advertising a position of interest. The agency would then provide application information, and the student would complete the appropriate paperwork. In some situations, the student would be required to take a test, but in others would not. If a test is required, the student would have to wait until the date it is administered, and travel to the testing site. Also, depending on the position, some agencies could hire the student directly. If not, the student's name would be placed on an OPM register, from which the top 3 candidates would be circulated to agencies with job

openings. In this case, the student would not necessarily be a candidate for the job he or she originally inquired about, and may also be considered for a different position.

Image of Federal Employment

Our discussions also indicated that easier access to information about federal jobs may not be enough to convince young professionals that the government can provide them with an enriching career. While students generally sought intangible rewards in a job, such as challenging assignments, innovative management, and the ability to make a difference, many felt that they were unlikely to find such rewards in federal employment. This is because they viewed the government as "big", "monotonous", and "bureaucratic". Some also felt the image of the government was the problem. As one said, "[Y]ou have that attack all the time on the federal government--the government is the problem. Why would any reasonable individual want to turn around and decide, 'Gee, I want to be part of the problem?'"

Such images are much easier to create than to dispel. While it is true that there are some people and work experiences in government which fit the stereotypes and poor images that students brought to our discussions, many government jobs are tremendously satisfying and exciting. Some of the negative

impressions we heard from students were contradicted by the excitement and sense of mission held by some of the new government employees who took part in the discussions. For example, an import specialist newly hired into the Customs Service in San Francisco told us, "My friends were really surprised when I told them what [my job entailed]. That was not at all what they expected in a federal job." Comments by Presidential Management Interns, quoted below, give their sense of strong belief that federal employment can be a fulfilling experience:

"Basically when my private sector friends say 'Ah, you people you're not earning anything,' and so forth, I say look, you're selling carrots and I'm dealing with the national debt. Who's having more fun? ...There's nothing wrong or tremendously egotistical or crazy about saying that a lot of what government does is simply, for whatever your reasons are, more important than selling carrots."

"...I'm still idealistic enough to think that people are still motivated by public service whether it's the Peace Corps or whether it's a farm worker organization or whether it's working for an environmental group...[T]he idea of social responsibility still, for some people, is a worthwhile thing to do and if we can convey that the government really is into public service, that we're helping

the community or the country or whatever...then people are motivated by that..."

"...[I]t's important to know that there is potential to have influence on big things, whether it be policymaking or public policy or whatever. The government can have a big effect on what happens throughout our country and throughout the world..."

As these comments demonstrate, good experiences in government can provide the intrinsic rewards young professionals desire, and create positive impressions of federal workers and government. Portraying this type of infectious enthusiasm on college campuses may be the government's best weapon against the negative stereotypes of federal employment. The key is finding out what makes these experiences so fulfilling, advertising it to potential employees, and replicating similar experiences for new and established federal workers alike.

Insufficient Pay

The discussions we have held so far indicate that inadequate pay may be a significant deterrent to federal recruitment. The students and new employees we talked with were quick to say that money is not their primary motivator, but they believed that entry-level government salaries are far too low. For example,

when asked "What images come to mind when you think of federal employment," a senior economics major said she felt exploited. She went on to say,

"I was just in [a government agency] and I was filling out the SF-171 form and I found I was rated as a GS-5. Fifteen thousand dollars is not going to feed me. I think that starting pay is ridiculous. I think when people find that out, right away it's the biggest turnoff."

When asked what they thought appropriate starting salaries would be, the groups responding generally agreed that appropriate salaries would be between \$18,000 and \$22,000 for students with bachelor's degrees, and between \$28,000 and \$30,000 for students with graduate degrees. These estimates are below most average entry-level offers reported by the College Placement Council for the 1988 scholastic year, but well above federal pay scales. For example, the national entry-level average salary for an applicant with a non-technical Master's in Business Administration was \$33,035. New federal employees with master's degrees usually start work as a GS-9, at \$23,846. The national entry-level average salary for accounting majors with a bachelor's degree was \$25,232. Even with special salary rates at a GS-7, the federal starting salary is under \$22,800. Some employees in professional entry-level positions start at GS-5, which pays \$15,738.

Insufficient pay is especially troublesome in high cost areas. Most of the students and new employees we spoke with lived in the Washington area, and many characterized the entry-level salaries in Washington as too low. As one said,

"...[T]he problem is that Washington is an exceptionally expensive city in which to live. [W]e were talking about private industry and even some non-profits that are able to pay quite a bit higher entering salaries, and they offer some of the same benefits. [The point is] just survival. [W]e're not talking about being exceptionally well off and living in a really nice part of Georgetown..."

Overall, many students expressed a willingness to work for less than what their peers would make, if their jobs were really fulfilling. However, there was also a consensus in our discussions that the threshold for appropriate salary levels is a function of what it costs to live. The groups generally agreed that federal salaries did not meet that threshold, especially in high cost areas.

Other work we have done tends to confirm this view, and suggests that recruiting problems caused by insufficient salaries are not limited to the Washington area. Seven cities with at least 10,000 federal employees, including New York, Boston, and Los Angeles, have a higher cost of living than Washington, D.C.

Recruiting problems due to insufficient pay are occurring in these, and other, cities as well. In fact, fifty-three percent of federal personnel officers that we recently surveyed across the country reported that inadequate starting pay and benefits was a barrier that hindered, to a great or very great extent, their ability to hire quality staff.

A December 1988 study by the Los Angeles Federal Executive Board (FEB) presents a more specific example of federal salary inadequacies in a high cost area. The FEB surveyed 10 state and local governments, including the State of California, the City of Los Angeles, and Orange County, to determine the mechanisms they use to establish salary levels for their employees. In every case, those surveyed said they did not consider the federal government in establishing salary levels because federal salaries are unrealistically low for the Los Angeles market.

Recruiting Case Study at IRS

In our ongoing review of IRS' college recruiting program, we found the same problems that were mentioned in our interview groups. Agency officials told us that several obstacles, chief among them being noncompetitive starting salaries, make it difficult to recruit the best college graduates. Other obstacles they cited were the government's hiring process, and IRS' and the government's negative images. We also visited placement officers

and deans at eight colleges and universities where IRS recruits. They agreed that starting salaries, and the hiring process, were important impediments to IRS recruiting.

One national survey of starting salaries paid to business and public accountants working for medium and large firms disclosed starting salaries in the private sector that were as much as 41 percent higher than the salary paid to accountants starting with IRS. We visited 17 firms in the fall of 1988, and found that they paid starting accountants between \$20,500 and \$27,500 annually--compared to IRS' starting salaries at the time of between \$15,118 and \$18,726.

IRS officials cited specific examples of how these large salary differences have had a negative effect on recruiting in some areas of the country. The Los Angeles district office advertised on a local radio station for special agents and received over 200 responses. Even though 71 of the respondents met the job's requirements, only 4 ultimately submitted applications. IRS district officials told us most of the other 67 did not apply when they learned of the low starting salary. On the East Coast, IRS' Newark District office chose to leave 50 revenue agent positions vacant rather than fill them with available applicants.

IRS has taken positive steps to alleviate some of the obstacles caused by low starting salaries and the federal hiring process,

such as obtaining nationwide direct hire authority for revenue agents in July 1987, and obtaining special salary rates (17 and 20 percent higher than the regular GS-5 and GS-7 salaries) for revenue agents in the Manhattan District in March 1988. In December 1988, IRS requested special salary rates for revenue agents in 90 additional high cost geographic areas. However, since agencies must fund their own special salary rates, IRS subsequently requested, and OPM agreed, that implementation of the special rates be deferred until 1990, because IRS lacked funds for the project in fiscal year 1989.

IRS also established a Campus Executive Program in 1986 which was meant to improve relations with at least one college or university in each IRS district by designating a district official to establish a continuing working relationship with the school. Although some of the 16 officials we interviewed at 8 colleges and universities had positive things to say about IRS' recruiting effort, many of them suggested ways IRS could improve its recruiting posture. Interestingly, many of their suggestions were consistent with the views expressed by the students and new hires in our discussion groups. Among their suggestions were that IRS provide part-time instructors at colleges, make regular recruiting visits, and stress the positive aspects of public service and a career in government.

Observations

We plan to meet with at least 12 more groups of college students in schools across the country. These discussions should tell us if the views and experiences of the groups we have spoken with so far are unique, or are typical of students in general. If the opinions we have obtained to date are typical, the government may have a difficult task ahead of it in attracting bright, young people to public service. This is critical, because any failure in getting able people to do the nation's work today may mean a long term failure in our ability to manage the more complex and demanding government of the future.

This concludes my formal statement. I would be pleased to answer any questions the Subcommittee may have.