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CAN THE DEFENSE MAN POWER DATA CENTER RETAIN EMPLOYEES IN COMPETITION WITH THE CURRENT SANTA **CLARA JOB MARKET**

Stuart Johnson

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December 15, 2018

EMPA 396

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Abstract

Silicon Valley is the touted as one of the technology capitals of the world. To the people who actually live here, it is better known as Santa Clara County. Home to Apple, Facebook, CISCO, HP and Google just to name a few. This Santa Clara county alone boasts the third highest GDP per capita in the world at \$77,440 only following Zurich, Switzerland and Oslo, Norway (MNM Partners LLC, 2018). Faced with this booming local economy, increased cost of living and intense competition in recruitment the topic of this research if the Defense Manpower Data Center can retain its personnel.

The people that would benefit most from this research are those who are currently employed with the Defense Manpower Data Center and any human resources officers within commuting distance looking for way to improve retentions in their current workplaces.

This research can be used as a resource to better understand what factors besides pay are most appealing. This research will also assist in bridging the generational gap by determining between the type of benefits or work life balance options other companies offer that would make staying with federal service more enjoyable.

The research will require gathering information by way of surveys and informal interviews. These questions will be focused on collecting quantitative and qualitative data. The potential impact of this study would be to provide non-biased research results that can provide readers with information applicable in determining what can be done to effectively retain personnel at the Defense Manpower Data Center and other local federal entities.

Chapter 1 – Introduction

There must be a certain level of competition between employers to ensure that each one hires the best talent. This puts the Defense Manpower Data Center (DMDC) in a unique position in terms of retention. The Defense Manpower Data Center must compete with companies like Facebook and Google for talent and it has proven to be extremely difficult. With revenue exceeding \$33.6 billion in 2017, Google has the ability to recruit and retain the best information technology professionals in the world. Lacking the ability to generate this level of revenue is a major challenge for the Defense Manpower Data Center when looking to retain its staff.

Purpose of the Research

The Defense Manpower Data Center is a but a small facet of The Department of Defense (DOD) and is part of an aging workforce population that has over 13.4% of its current employees eligible for retirement. This number is expected to rise to over 29.7% over the next five years (Katz, 2018). The purpose of this research is to investigate what the Defense Manpower Data Center specifically and the federal government in general, can do to effectively retain its personnel in the mists of some of the most powerful companies in the world.

The information technology industry is one of the fastest growing and highest paying job industries in the country. Santa Clara County also known as Silicon Valley is not only the information technology hub of the country, but the world (Premack, 2018). This statistic alone creates a unique demand for the best information technology talent, higher pay and a better work life balance. Creating a demand for factors involved in employee recruitment, satisfaction and retention. The Defense Manpower Data Center (DMDC) is located in Seaside California,

approximately sixty miles south of the city of San Jose and Santa Clara County. This proximity to Silicon Valley, the added burden of being restricted by federal guidelines as to what benefits are available and limitations to as to what overall pay can be put the Defense Manpower Data Center (DMDC) and its human resources officers in a difficult position as to what can be done in terms retention.

Problem Statement

The current federal pay and benefits system the Defense Manpower Data Center is required to abide by doesn't offer the human resource officers the ability to compete with what is being offered in the Silicon Valley (Maucione, 2016). The Defense Manpower Data Center (DMDC) is responsible for the maintaining of all personal data of over 38 million active duty military, retired, dependent, DOD contractors and civilian records. It also provides 24/7 support for entitlements, benefits and readiness support. This service is provided to all Army, Navy, Marine, Air Force, Coast Guard, Department of Homeland Security, Department of Labor, Social Security Administration, Office of Personnel Management (OPM) and Congress itself. The Defense Manpower Data Center also must always have a direct line of communication with the White House at all times, as it answers directly to the Secretary of defense ("DMDC Overview," 2018).

Providing this level of service requires a highly trained, highly qualified and dedicated staff which is indicative of all professionals working for the Defense Manpower Data Center. However, being highly trained, qualified and dedicated to one's work also makes employees of the (DMDC) valuable prospects to other companies as well. (DMDC's) close proximity to Silicon Valley, is enticing to talent scouts and current employees looking for higher paying jobs.

In general retention in the information technology industry has become very difficult not only for the larger companies of Santa Clara County but for the government sector as well. While there is no shortage of skilled information technology personnel available to work, the problem is in attracting and retaining the best talent. When attempting to recruit and retain people with the most experience, education and certifications, these people also tend to command the most pay and benefits. This puts the job market in favor of companies that can offer the most.

Main Research Question

The original research question is: Can the Defense Manpower Data Center effectively compete with private companies in the Silicon Valley to retain its workforce? The needs for the Defense Manpower Data Center to retain its personnel is limited by the constraints of the current federal pay structure. To best understand what the Defense Manpower Data Center lacks in comparison with private companies it first needs to know what is valued most in those companies it is in competition with.

Research Sub-Questions

The following research sub-questions will also be investigated in the study

1. How do the current pay, quality of life and benefit packages provided by the Defense Manpower Data Center compare to local companies? This question is asked to determine if the federal pay structure and GS salary positions attract and compete with the likes of local tech giants looking for the same level of skill and expertise?

2. Can the (DMDC) compete against tech companies like Google, Twitter, Amazon, Intel Uber, and Facebook in terms of a cool high tech, trendy place to work? This is asked to address if working in cubicles and completing "government" work attracts and retains the type of individuals that are needed to work with high tech government networks and systems?

Assumptions and Limitations

The research conducted in this paper is related to Information Technology jobs and retention as it relates to Santa Clara County and the surrounding area, including Monterey County. This is to relate the federal pay scale and benefits that are available to the Government professionals in this area. All government employees located in Santa Clara, Monterey County and neighboring areas are subject to mandated locality pay of 39.28% that will be discussed in detail in the future. All figures related to the Defense Manpower Data Center will have the locality pay factored in to keep the federal salaries comparable, they are related to the same positions in Silicon Valley, then compared to the national average.

Significance of the Study

The significance of this study is to review and determine if the current strategies and retention efforts in place at the Defense Manpower Data Center are effective at retaining current information technology professionals. This research will investigate federal pay limitations and benefits to determine if it's comparable to what's being offered in the private sector, taking into account current cost of living and locality pay.

This study will discuss which federal comparable benefits offered best compete with the private sector of the tech industry. This study will also address if the government can compete with regard to the current pay gaps and level of pay offered for a certain level of experience. Other pertinent questions that this study will address include the following, once the government has acquired the right people how can they compete with large companies in providing free childcare and what does the government have to offer in lieu of the benefits that cannot offer? Does the attractiveness of tech-companies' like Facebook and Google make it difficult for the Defense Manpower Data Center to compete? That compounded with the high costs of living make higher pay a primary factor in recruitment and retention.

Expected Impact of Research

It is expected through this research, to discover what type of pay, benefits and quality of life factors employees are looking for in the Defense Manpower Data Center. This research can then be used to assist in the retention of employees. Understanding that higher pay is not always the primary or total solution, the purpose of this study is to discover a collective of solutions that could increase the (DMDC's) ability to retain its current personnel. The Defense Manpower Data Center is in a unique situation that requires it to attract and retain information technology personnel all while competing with companies that may offer better pay or benefits. A clear understanding of what people are looking for in a company and what (DMDC) can leverage to its favor can assist in making the Defense Manpower Data Center a more attractive place to work and increase retention (Maucione, 2016).

Chapter 2 – Literature Review

Introduction

The scope of this research is to determine the most pertinent factors of employee retention is it pertains to Information Technology personnel working at the Defense Manpower Data Center. The literature researched extended beyond the initial scope of the local area. As noted, federal regulations determine pay and benefit packages for employers across the nation and any changes would have to be adjusted for all, except the difference in locality pay. With the cost of living in Santa Clara county being among the highest in the country makes additional available research sparse due to the uniqueness of the situation. The primary cause of the inflated cost of living in Santa Clara is influenced by the Information Technology industry itself, making this research completely unique.

Pay and cost of living

Pay is one of the most influential factors in recruitment and retention. A very important part of this research is having a clear understanding the federal pay scale. The Federal General Schedule (GS) pay scale is a uniform pay scale that is used to determine the effective salary of over 70% of the Defense Man Power Data Center's employees. Other pay scales include the Federal Wage System (FWS), the Law Enforcement Pay Scale (LEO) and the Senior Executive Service Pay Scale (SES). All IT professionals fall under the federal job code of GS-2210 Information technology Management Series. For continuity the only pay scale being discussed is the General Status (GS) pay scale. The GS pay scale starts in grades, the first grade is GS-1 escalating to GS-15. It is commonly understood that certain GS grades equate to a recognized hierarchy,

GS-3 or GS-4: Typically, internships or student jobs,

GS-5 to GS-7: Most entry-level positions

GS-8 to GS-12: Mid-level positions

GS-13 to GS-15: Top-level supervisory positions

In between each grade are steps and there are ten steps for every grade usually taking "steps" over time. Starting as a GS-1 step 1 with the total salary is \$18,785. At the top of the scale is a GS-15 step 10 making \$136,659. This is the federal standard and makes no difference in the on the type of work, level of education or experience. If the position calls for a certain level of supervision then that is the position that will be filled (Go Government, 2018).

SALARY TABLE 2018-SF INCORPORATING THE 1.4% GENERAL SCHEDULE INCREASE AND A LOCALITY PAYMENT OF 39.28% FOR THE LOCALITY PAY AREA OF SAN JOSE-SAN FRANCISCO-OAKLAND, CA TOTAL INCREASE: 2.21% EFFECTIVE JANUARY 2018

Annual Rates by Grade and Step

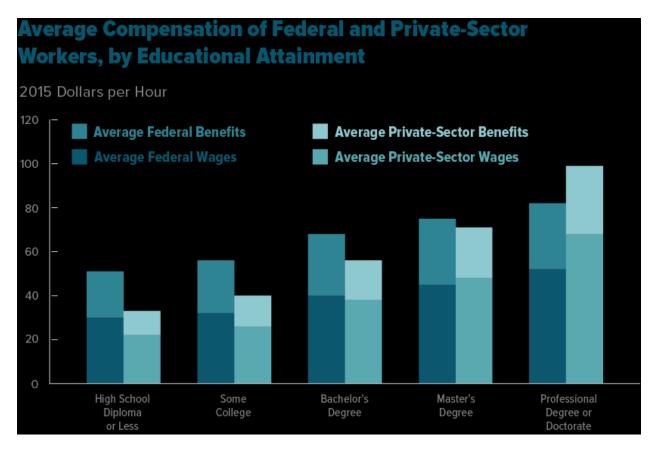
Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
1	\$ 26,164	\$ 27,040	\$ 27,910	\$ 28,775	\$ 29,646	\$ 30,154	\$ 31,013	\$ 31,883	\$ 31,916	\$ 32,734
2	29,417	30,118	31,091	31,916	32,278	33,228	34,178	35,128	36,078	37,028
3	32,097	33,167	34,236	35,306	36,376	37,445	38,515	39,585	40,654	41,724
4	36,033	37,234	38,434	39,635	40,836	42,036	43,237	44,437	45,638	46,838
5	40,315	41,659	43,003	44,347	45,691	47,035	48,379	49,723	51,067	52,411
6	44,937	46,435	47,932	49,429	50,926	52,424	53,921	55,418	56,915	58,413
7	49,937	51,602	53,266	54,931	56,595	58,259	59,924	61,588	63,253	64,917
8	55,304	57,148	58,992	60,836	62,680	64,524	66,368	68,212	70,056	71,901
9	61,084	63,120	65,157	67,193	69,229	71,265	73,302	75,338	77,374	79,410
10	67,268	69,510	71,753	73,995	76,238	78,480	80,723	82,965	85,207	87,450
11	73,905	76,369	78,832	81,296	83,760	86,224	88,688	91,152	93,616	96,080
12	88,582	91,535	94,488	97,440	100,393	103,346	106,298	109,251	112,204	115,157
13	105,335	108,846	112,357	115,868	119,380	122,891	126,402	129,913	133,425	136,936
14	124,475	128,624	132,773	136,922	141,071	145,220	149,369	153,519	157,668	161,817
15	146,415	151,296	156,176	161,056	164,200 *	164,200 *	164,200 *	164,200 *	164,200 *	164,200 *

^{*} Rate limited to the rate for level IV of the Executive Schedule (5 U.S.C. 5304 (g)(1)).

Applicable locations are shown on the 2018 Locality Pay Area Definitions page: http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2018/locality-pay-area-definitions/

This pay scale in many cases could be considered great living in a rural area with a low cost of living like Montana or Nebraska. But as it relates to Information Technology experts in Monterey and Santa Clara counties this scale must be adjusted to accommodate for cost of living, this is called locality pay. The average locality pay for the state of California is an additional 25%. This is the state average, but the adjusted locality rate for both Monterey and Santa Clara

counties is the highest in the nation at 039.28%. This locality pay is only added to employees that live and work in the local area. This adjustment increases the minimum pay of a GS-1 to \$26,164 and a GS-15 to \$164,200. General Status (GS) pay is mandated to be capped at a total of \$155,500 per year, and the \$164,200 is the total after that cap is met (GeneralSchedule.org, 2018)



(Congressional Budget Office, 2017) (Cho & Lewis, 2011).

Understanding the Defense Man Power Data Centers current pay structure, salary caps and restrictions allow for a better understanding of what Defense Man Power Data Center is up against in attempts paying its employees a competitive salary and the retention of its personnel (Reilly, 2013). This and understanding that federal salaries are currently 34.92% lower that the private sector on average even with the allotted locality pay is proof that the federal service and information technology professionals working for the Defense Manpower Data Center are underpaid (Yoder, 2015).

Generational Differences

Generational differences in general and specifically at the Defense Man Power Data

Center are very important factors of consideration in recruitment and retention. Generation X and the Millennial generation are the bulk of the upcoming work force, leaving Baby Boomers in leadership positions. When looking for employment, any sense of a generational divide can become a detractor. As the workforce of Department of Defense continues to age, so do its traditions. Generational differences are the cultural differences between the younger generation and the older generations. This divide comes from stereotypes that create a type of generational profiling (Wiley, 2018).

This profiling has an influence on recruitment and retention. The most common types of generational stereotypes for Baby Boomers are suit and ties and being uptight, working in office cubicles. Common stereotypes of Gen X are lazy kids, with baggy jeans and pink hair. When some of these stereotypes are true, it adds to the difficulty DMDC faces when looking to recruitment and retention.

An example is the dress code for the Defense Manpower Data Center, requiring employees to be dressed as business casual, in defense of the Defense Man Power Data Center it is more relaxed than the East coast with full suit and ties, but it is still business casual. But all federal service employees are still "expected" to wear slacks and shirts with collars, be clean cut and have what would be considered a more professional demeanor (Office of Personnel Management, 2018). Whereas the dress code at Facebook or Google is much more relaxed, what would be worn or seen on any typical college campus.

This is just one example of the generational divide the Defense Manpower Data Center must compete with when looking to attract or retain employees. This dress code also extends to hair styles, piercings and tattoos (Business Insurance Quotes, 2018).

When the option of working with the DoD and having to abide by dress codes and grooming standards or working for companies like Facebook and Google that have some of the most lenient dress policies can make employment that much more attractive elsewhere to the younger generations.

The same difficulties the Defense Manpower Data Center has in attracting the younger generation differences it has in gap attracting the type of people required to work at the Defense Man Power Data Center has the same effect in retention. But this is not just single sided. Not only does the Defense Manpower Data Center have to compete with generational differences in its dress code policies, it must also compete with companies that offer additional benefits targeted to this younger generation by way of technology (Wiley, 2018).



(Reilly 2013)

Working for the Defense Manpower Data Center an employee could expect to work in an old renovated Army hospital. The location for the Defense Manpower Data Center is the repurposed Silas B. Hayes Army hospital that was built in 1973. It has since been converted, but the old concrete walls still bare the pictures of fallen soldiers. The old hospitals use is much different now, the converted medical rooms have been retrofitted to offices holding 3-6 people. The solid walls prevent the installation of new electricals and the cords can be found running along the walls. The solid war ready construction prevents cellular phone reception and limits the effectiveness of Wi-Fi. Located on one of the highest points of Seaside California, most of the views from the inside are of a now condemned Fort Ord military base (Reilly 2013).



(Apple Spaceship, 2018)

In comparison the working for Apple employees can work at the Apple Park location, a 175-acre campus that will house more than 12,000 employees. With over 2.8 million square feet of floor space Apple Park will be just 1000 square feet shy of becoming the largest office building in the world behind the Pentagon. But it will still have room for plenty of amenities to attract potential employees. Apple Park has a \$70 million 100,000 square foot wellness facility a 60,000 square foot dining facility and currently offers some of the best employment packages on the market (Cain, 2017).

Competition for Information Technology Talent

Competing with local employees makes retention efforts difficult for the Defense Man Power Data Center. Some of the places the Defense Man Power Data Center competes with are

simply cooler to work for then the federal government. Facebook is listed as number one of the top 50 best places to work according to employees. In many cases people dream of working at places like Google or Facebook. Currently there is an entire generation of people that are entering the work force looking only for an opportunity to work at their dream job (Gillett, 2017). In the same since this current generation has also grown up completely at war and working for the government has simply lost its luster. Compounded with the fact that the current presidents were not elected by popular vote, his approval ratings are at an all-time low it is no wonder that people simply just don't want to work for the government a fact proven that working for the federal government doesn't even make the top 100 of best places to work (Rein, 2013).

Conclusion

The Defense Manpower Data Center and federal service in general have issues with retention in the Information Technology sector. The inability to attract new employees will continue to be an issue if the disparities between pay, cost of living and benefits continues to grow in this growing market. The Office of Personnel Management (OPM) has taken steps to in attempts to offer better benefits and increased pay, but this can take time. Local federal employers must to start to look outside the box in attempts to compete with these big-name employers. The Office of Personnel Management (OPM) can only hope to provide a blanket solution that may only address a single aspect of the what's required for effective retention (Mastracci, 2009).

Chapter 3 - Methodology

Research Methods

The research conducted is a qualitative case study, focusing on formal and informal interviews with key informants, small focus groups and surveys. The informal interviews assisted with gathering information regarding retention efforts and programs currently in place. Focus groups assist in collecting data that determined what current employees look for in prospective employment opportunities and companies they intend to continue working for. This data reflects a consensus of what retention efforts are the most attractive, what pay and benefits are most enticing and what options could keep or lure them away from current employers. A culmination of this data can provide additional incite to what would be the most effective methods of retention and what ideas may be over looked by senior level leadership, providing an additional resource for future retention efforts.

The objective of this study is to determine if the Seaside, California Defense Manpower Data Center can effectively retain its Information Technology personnel. The research data has been collected by conducting qualitative and quantitative case studies of current federal employees of the Defense Manpower Data Center. This research assisted in verifying data referenced in the literature review as it pertains to the retention of Information Technology personnel in the local area. This research also provided additional incite to what current retention efforts are in place and how effective they may be. The primary method of gathering this research data was completed by conducting informal interviews, focus group discussions and an online surveys.

The research assumptions for this study are:

- 1) Does the current pay, quality of life and benefit packages provided by the Defense Man Power Data Center compare to local companies?
- 2) With such a high cost of living federal pay does offer the 39% locality pay but it is not enough to compete with local employers?
- 3) Can the (DMDC) compete against tech companies like Google, Twitter, Amazon, Intel Uber, and Facebook in terms of a cool high tech, trendy place to work?
- 4) The Defense Man Power Data Center does offer benefits, but the Defense Man Power Data Center does not have the ability to offer stock options perks detract from retention efforts?

This research also assisted in identifying the following sub-questions:

- 1. Does federal pay compete with local opportunities?
- 2. Does current federal pay fall in line with required certification standards?
- 3. Does federal pay match education and experience levels?
- 4. Does the Defense Man Power Data Center offer benefits comparable to local opportunities?
- 5. Is the option of working at the Defense Man Power Data Center more or less appealing vs the opportunity to work at local big-name companies?

Data Processing and Analysis

The first data collected was qualitative data gathered from informal interviews and questionnaires from key informants. Interviews were then completed with key informants and senior level managers to determine what were the most current retention strategies, top reasons

for leaving and current attrition rates. This information was then be used to assist in creating additional questions to be used in constructing focus group and survey questions.

Data collected from the questionnaires and surveys were then used to determine if current Defense Manpower Data Center employees felt as if they are fairly compensated in relation to competing companies and how it effects their thoughts on retention. This information resulted in additional questions that can be asked to further identify common trends in retention efforts. This data was then used to create surveys used to ask a larger population group to get a more defined aspect of how people feel about working as a current federal employee vs the possibility of working the private sector.

List of Employees to Interview

Interviews were conducted first with senior leadership to determine what current strategies are in place to assist in retention. Focus groups were also used to gather a consensus of the overall climate at the Defense Manpower Date Center. Surveys were then conducted to gather bulk information from the largest test pool possible. This information was then separated by demographics to determine any commonalities. Once the information was assimilated, further review isolated additional participants to be interviewed as new questions arose. With participants that have less common survey results relating to retention further investigations were conducted with additional interviews.

The types any amount of focus of interviews varied depending on the demographics of the Defense Manpower Data Center, the focus was to isolate and complete interviews with:

- 1. Employees with 7-10 years of federal service. 7-10 interviews.
- 2. Employees with 3-7 years of federal service. 10-20 interviews.
- 3. Employees with 1-3 years of federal service. 10-20 interviews.

Questions asked during employee interviews were:

- 1. How satisfied are you with your opportunity to get a better job in this company?
- 2. Considering everything, how satisfied are you with your job
- 3. What perks do you currently enjoy most?
- 4. What attracted you to federal employment and the Defense Man Power Data Center?
- 5. How important was your starting salary level to you?

Dependent and Independent Variables

The original research question can be used to develop the variables for this study. "Can the Defense Manpower Data Center effectively retain its information technology personnel?" The dependent variable is the ability to effectively retain qualified information technology personnel at the Defense Manpower Data Center. The independent variables are retention strategies, pay, benefits, cost of living and quality of life. Changing the individual independent variables offers can make continued employment or potential employment at the Defense Manpower Data Center or industry employment more attractive over other local companies in the area.

Controlling for Internal and External Validity

The internal validity of this research is understanding the restrains that the Defense Man Power Data Center and federal government have in place that cannot be avoided. These are things like the federal pay scale, benefit packages, retirement ages and circumstances that would take an act of congress to change. The fact the technology industry is the one of the main reasons driving the cost of living up makes this research very specific to this immediate location and in turn limiting the internal validity. Although it is completely possible that Congress can approve a new spending bill that would give a federal pay raise it is unlikely it would influence the validity of this research due to the latency of federal raises to match cost of living.

The external validity of this project was to determine how applicable this information would be to the Defense Manpower Data Center its-self and other federal workplaces i.e. The Naval Research Lab (NRL), U.S. Army Cyber Command, Fleet Numerical Metrological Center (FNMOC), Naval Post graduate School (NPS) and other locations that may be effected by the same retention issues. The research completed in this research project is intended to be directly applicable to all federal employers in the immediate area.

Conclusion

The Defense Manpower Data Center is the primary topic of this research, but all local federal agencies need to employ information technology professionals and all must still compete with the same factors that affect retention at the Defense Manpower Data Center. Not only does this research provide an informative look at what affects retention, it can also be used to assist in future recruitment and retention efforts as well. As information technology continues to grow and

modernize, so will the needs of the Defense Manpower Data Center. The data collect in this research project has provided essential insight on what may be needed to attract future and retain current employees at the Defense Manpower Data Center.

Chapter 4 - Results and Findings

Chapter four provides a review of all collected research data, in addition to a literature review, surveys, focus groups and key informant interviews. Surveys were offered to all Defense Manpower Data Center employees at all levels of experience, various positions and time in service. Most employees offered additional information and desired further discussion, which resulted in impromptu focus groups. This created an atmosphere similar to a town hall and facilitated a deeper dive into the concerns, culture and tempo of individuals working at the Defense Manpower Data Center. Key informant interviews provided an opportunity for upper management and staff level employees to elaborate on current attrition rates and programs in place to aid retention. These key informant interviews provided an opportunity for employees to candidly express personal opinions of the Defense Manpower Data Center. Discussions included current pay scales, benefits, work life balance and thoughts of continued employment with the Defense Manpower Data Center versus the private sector.

Overview of Results

A review of all pertinent, available data was necessary in order to isolate matters which required improvement. Upon review of key informant interviews, survey, and focus group results additional information was discovered that will require further research prior to making any recommendation for future action. All collect data is included in the survey data results and findings.

Survey Data Results and Findings

Surveys were completed via a physical kiosk set up at the Defense Manpower Data

Center or taken online at SurveyMonkey.com. The survey consisted of 14 questions arranged in a

Likert scale format. The surveys were provided at random to local Defense Manpower Data

Center employees in Seaside California. With an approximate 1600 employees across 11

locations worldwide, the test pool would be too large would not precisely address the original
research topic. By limiting the research survey to employees located at the Seaside, California
location, the results of the data focused on circumstances which affect government employees
within proximity to Silicon Valley. Limiting the scope of research geographically also allowed
targeted emphasis on employees currently affected by the two primary factors of the research,
cost of living and the potential to work elsewhere within the local commuting area. Of the
approximate 600 employees located in Seaside, California about 150 employees participated in
focus groups, surveys or interviews.

Survey Questions and Results

1. How long have you worked at the Defense Manpower Data Center?

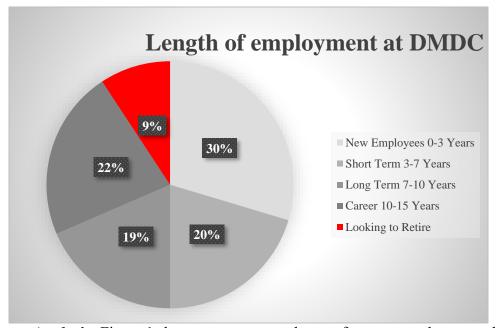


Figure 1.

Analysis: Figure 1 shows an average make up of current employees at the Defense Manpower Data Center. This information is pertinent to understanding the types of employees that work for (DMDC) and for how long.

2. What is your current position?

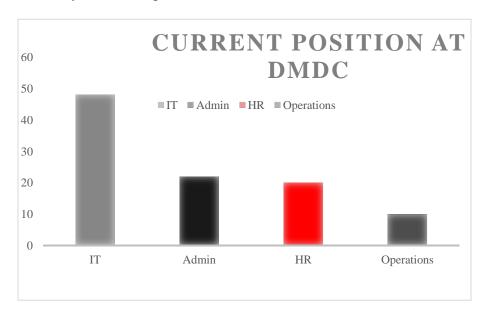


Figure 2.

Analysis: Figure 2 shows the most commonly held positions among the interviewed employees. Showing that the majority of employees at the Defense Manpower Data Center currently in the technology and are directly affected by the local private sector.



Figure 3.

Analysis: Figure 3 shows Respondents ranked elements of employee satisfaction from the major themes of the focus groups. Not surprising, compensation was the most satisfying indicating a majority of respondents were happy with their compensation. Career advancement also scored very high amongst this group.

3. Would you consider working for the Defense Manpower Data Center fun?

Figure 4



Analysis: More than 60% of current employees considered working at the Defense Manpower Data Center to be somewhat fun or very fun place to work. This addresses a perceived quality of life and that is an indication that, comparison to what may be offered elsewhere (DMDC's) Seaside location is a desirable place to work. With no definitive competition in this survey question, respondents were simply asked if working at the (DMDC) was fun, not in relation to other locations. This question focused on examining if employees enjoyed their current workplace.

Focus Group Interview Results

1. Is the current pay, quality of life and benefits packages provided by the Defense Manpower Data Center comparable to that of other local companies?

GS-9: the pay is ok, I know how much everyone else makes so I am satisfied with where I am. It is comfortable but the cost of living is really high, but I do enjoy the amount of time vacation time I receive and all the federal holidays. I also get a lot of

flexibility in my schedule. I usually work 4 ten hour days and have a three day weekend every week.

GS-11: What I like most is how small the building is. Coming from the east coast and all that traffic? I just like not having to deal with all that. Benefits are the same across the board so nothing new for me but it's pretty relaxing over here.

GS-12: the government matches base pay by 5% automatically for our 401k(Thrift savings Plan (TSP)) 3% is dollar for dollar and 2% is 50cent to the dollar. So that's a good deal.

GS-12: The benefits are the same for us no matter what you do so I don't think about it much. It's cool I'll get my second retirement when I'm 60 so just a few more years for me and I'm done.

Analysis: the benefits that are offered and there value differently based on the needs of the employees. Some of the younger employees enjoy the vacation time where as some of the more long term employees value the (TSP) matching and retirement benefits.

2. How important was your starting salary level to you?

GS-9: Very important. When I was first offered the position I was most concerned about the pay, I was a student and this was my first job and I was worried that I would not be able to afford to live out here coming from campus housing.

GS-11: Money was ok I guess, I mean everyone wants a little more right?

GS-12: If the pay wasn't where I needed it to be then I wouldn't consider taking this job, so it was very, very important.

GS-12: For my position I think I am fairly compensated, but I don't think that I could not have taken the job if they would have offered me less, I live in PG and have to pay for private school.

Analysis: Developing a strong offer from the outset is important and having a significant first offering is what caught the attention of many of the employees. The challenge is that the construction industry and often public agencies don't have the capital backing as many of the technology companies hiring in the Bay Area. So putting together a competitive compensation package is an extreme challenge for highly qualified persons.

Key Informant Interview Data and Findings

The Key Informant interviews were conducted with senior member of the Defense Manpower Data Centers staff. These individuals were members of the leadership and had more time and experience. Alternative means of data collection were completed by holding focus group sessions with individuals that have had less time working with the Defense Manpower Data Center. Interviews were also conducted with human resource managers and general managers with direct action for recruiting and retention.

1. What have been the difficulties experienced in recruitment and retention?

GS-12 — The defense department has programs in place to aid in the recruitment and retention of employees. We have the most difficulties with recruitment, this is because if the extremely slow hiring process. If I was to find a qualified employees it could still take me months to get though the entire hiring process. By the time I can make an offer the

candidate has either already accepted another position, leaving me with another position to fill and this starts a cycle. If the person is out of state then it is even more difficult because then I need to bargain for moving costs and so on. Most of these costs are fixed for me and I simply can't compete with a fixed budget.

GS-14: Retention is difficult because there is such a lengthy process to hiring individuals that by the time, they are vetted they have been offered another job. In order for an employee to have full access to systems they must first have a security clearance and acquire a security+ certification. Security clearance is currently about an 18 month wait given that it takes a few months to get the security certification but the time they have completed all of the required certs and security checks thy have become more marketable to other companies before they have even been granted access to the facility.

2. What new benefits (if any) are being considered?

GS-12 The department of defense is working on new plans to better accommodate pay. This will be more specific to locality and what the specific job role is and not just an individual's position. This will allow federal service and DMDC in particular an additional opportunity to compete with local employers.

GS-15: the opportunity to work for and continue service with the federal government is a benefit in its self we have many military retirees that look at this opportunity to extend their service and continue to serve others while supporting a mission that helps so many people. The benefits that continued service provides is unmatched in the private sector. At this location entry level positions start at the GS-9 level with plenty of opportunity to move forward. We have many programs available that can assist with

moving forward also. We have continued step programs that guarantee advancement to the GS-13 level as long as performance reviews are acceptable. These are benefits that are unique to the 2210's (information technology) that you can't get anywhere else in the federal service.

Analysis: The ability to start at higher pay grade (GS-9) is a benefit in federal service as typically most would start at much lower position. Being hired to a ladder position that accelerates an individual's advancement is an additional benefit that should be weighed when selecting potential job offers. Some of these benefits also overlook the potential employee, as the primary focus was that of a military retiree that is currently receiving a pension vs that of a new employee that is looking for work and a single source of income.

Significant Findings

Surveys indicate that majority of the workforce at DMDC are Information Technology professionals and are directly affected by proposal this research. Of the data collected, the survey indicated that compensation was primary in employee satisfaction and retention. Data also shows that the potential of working in a fun place is not directly related to how cool or up-to-date a work place environment is.

Key informant interviews revealed that there is an agreement in that local competitors have the ability to offer better opportunities in the form of compensation packages. Key informants are also aware that this has an effect on recruiting and retention, noting that Santa Clara County offers the highest cost of living (COLA) adjustment in the country making the current employees

of DMDC the highest paid federal and by being up front with the is the highest and that steps have been taken to address issues that currently have the most profound affect. It is apparent that although national strategies are in place, that they have not recently translated to success in recruiting and more importantly retaining employees. The local teams must readily find and source candidates that are more local versus those that are brought in from out of the area. Although they may be highly qualified, once in place, often the cost of living gives "sticker shock" and they don't stay. Hence, the rise in attrition rates for the past few years.

Results that were the most shocking were that the place of work did not matter as much as the expected. In many focus group interviews, interviews noted that the possibility of working at a new location would be enticing, but the thought of having to commute and traverse a huge building with thousands of employees was daunting. When it comes down to pay, benefits, location and quality of life some things couldn't be quantified and subsisting hours of time in traffic and commuting or leaving a quainter location with fewer closer friends is worth more than just money.

Chapter 5 - Conclusions and Recommendations

Conclusions

The data collected from the literature review and the results of the surveys, interviews and focus groups support the hypothesis the Defense Manpower Data Center retention efforts are not effective. The research conducted in this project reveled factors that may contribute to their employees' decisions to continue employment within the organization The Defense Manpower Data Center is not alone in its inadequate retention efforts. Various information technology facilities in the same geographical region are affected by the same policies and restricted in terms of what they can offer for pay and benefits. Because the Defense Manpower Data Center is part of a larger enterprise the effects of the local economy and can still have the same effects on the smaller federal facilities in the area. As the need for the technology sector continues to grow other locations can become just as affected as alternative options become more enticing.

This study revealed specific areas of interest that must be reevaluated in order to arrive at a definitive conclusion concerning the Federal Government's ability to effectively retain its information technology personnel. These areas of interest include cost of living, benefits and career advancement (Yoder, 2018).

The research question examined in this study was Can the Defense Manpower Data

Center Effectively Retain its Information Technology Personnel. The research hypothesis was
that the Defense Manpower Data Center could not effectively retain its Information Technology
personnel. The results from this research have shown that the answer to the research question
was more complex that a simple yes or no. This research has revealed that, in most cases, current

employees felt as if they were underpaid. The information gathered from the focus groups and interviews the literature review supported this to be true. But this research revealed that the employees of the Defense Manpower Data Center also felt that working at the Defense Manpower Data Center was entertaining or a fun place to work, in comparison to what they may have imagined working at Facebook or Google would be. This finding was not as expected in the original hypothesis. This research has provided valuable insight into the current climate of the Defense Manpower Data Center and experience and opinions of federal employees faced with the options of alternative employment opportunities.

The Defense Manpower Data Center and the Federal Government recognize (Reference? Did this info come from an interview or report?) that retention of information technology personnel in Federal service is an issue and that it is aggressively being addressed. Initial steps have been taken to mitigate issues in the discrepancies in pay, cost of living and benefits. While the Defense Manpower Data Center may be in a difficult position limited by policy (reference?), the Defense Manpower Data Center is actively looking for additional options for improvement. The unfortunate circumstance for the Defense Manpower Data Center and the Federal Government is the speed of the information technology job market and the slow? pace of Federal bureaucracy. As the disparities between federal and private pay, benefits and work life balance continue to grow, the potential for a more robust federal retention program must be realized. Your conclusions must be based on the data, not personal opinion; provide references to most of these statements in this section.

Recommendations

The following recommendations are categorized as a priority to employees that can be implemented immediately to assist in retention efforts at the Defense Manpower Data Center.

Recommendation 1 – Implement regulations that bolster the DODs Cyber workforce.

Currently, the Department of Defense is working to implement programs that designate certain information technology positions as (CPE) Cyber Expected Service. This program would allow certain roles to be eligible for "perks" such as not having to compete for advancement opportunities and increased compensation. Other options being investigated are Local Market Supplements (LMS) or Target Local Market Supplements (TLMS) these programs act as an additional increase to the current Cost of Living Allowance (COLA) but offers an increase in pay based on the not only locality but the additional increased demand of certain skill sets or lack thereof (Serbu, 2018). Cite your findings in each of these recommendations.

Recommendation 2 – Create an atmosphere resembling of the local market.

The Defense Manpower Data Center could create an atmosphere akin to what is offered by competing industries. The first step would be to market employment to potential recruits. This could be accomplished by creating a social media presence, community out-reach, or by informing the public of what the Defense Manpower Data Center does This would assist in another option that would be to update the perception of the Defense Manpower Data Center. While many recommendations will be required and will then need to be vetted and any major changes will involve acts of congress, ensuring that employees continue to enjoy their day-to-day work can be handled at a much lower level. Cite your findings in each of these

recommendations. Taking non-traditional approaches such as relaxing dress codes or tattoo and piercing policies could be more appealing than policies of other local companies. It is apparent that none of these issues alone are a defining factor in retention, however, ideas such as these can make a difference. As the collected data revealed, the Defense Manpower Data Center is considered a fun / entertaining place to work in comparison to other potential locations. While intangible and non-monetary, being a "fun" place to work can at times be invaluable. Cite your findings in each of these recommendations.

Recommendation 3 – Create local benefits package to enhance job offers

The Federal Government currently offers an enticing Paid Time Off (PTO) policy. Offering between 13-26 paid non-work days per year. However, it can take up to 15 years to earn the total 26 days per year. This is in comparison to local companies like Facebook, whose employees start with 21days of (PTO), 11 company holidays and "sick" days when you need them. Earning them an additional 4 months of vacation in the same amount of time. As these types of benefit packages start to become more common, it will become more difficult for the Defense Manpower Data Center to remain competitive (Premack 2018).

The Federal Government could investigate and implement additional benefits that Facebook, or Google cannot offer. Cite your findings in each of these recommendations. Regarding benefits, the Federal service has the capacity to provide what no other company can, by way of access. Local benefits could include base gyms, daycare centers or other base facilities. Access to DOD fitness centers and tax-free shopping at military Exchange and Commissaries are benefits that attract, retain and enhance employee's satisfaction in ways they would not find with any other companies. Free gym access, child care or Department of Defense schools or access to the

Defense Departments community and family programs and counselors puts working for the Defense Manpower Data Center in a class of its own (Suggested by Key Informant GS-12 November 2018).

Recommendation 4 – Create a Career track with the local university. As the need for information technology professionals continues to grow, the Defense Manpower Data Center has an opportunity to recruit from an endless supply of young, enthusiastic prospects. The Defense Manpower Data Center is located less than 2 miles from California State University Monterey Bay (CSUMB). By establishing and implementing an effective internship program, the Defense Manpower Data Center could effectively recruit and retain recently educated employees to keep up with current trends in a rapidly growing industry. By anticipating the current markets and needs of skills, the Defense Manpower Data Center can assist in creating programs that teach students the specific and required functions to better the organization exchange for employment. (This information was gathered during a Focus group with recent hires that graduated from California State Monterey Bay. November 2018).

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Appendix 1 Gannt Chart

Good Morning / Afternoon / Evening,

My name is Stuart Johnson,

I am in the process of completing my masters in Executive Master's in Public Administration. The topic of my dissertation is "Can the Defense Man Power Data Center retain its employees competing with the current Santa Carla job market". The purpose of this project is to determine if the Defense Man Power Data Center can compete with pay/ compensation and benefits with the likes of Silicon Valley employers such as, Facebook, amazon, google, Instagram and so on. In order to gather non-bias data, I have created a survey that should take no more than ten minutes to complete. Please fill this out as truthfully as possible as to ensure fair and accurate data.

Questions for employee surveys include:

- 1. Do you feel that federal pay is matched to the expected level of education and experience?
 - 1 Strongly disagree
 - 2 Somewhat disagree
 - 3 Undecided
 - 4 Somewhat agree
 - 5 Strongly agree
- 2. Does your current federal pay equate to your required level of certifications to that of the private sector?
 - 1 Strongly disagree
 - 2 Somewhat disagree
 - 3 Undecided
 - 4 Somewhat agree
 - 5 Strongly agree
- 3. Do you feel that you are fairly compensated in your career field based on locality?
 - 1 Strongly disagree
 - 2 Somewhat disagree

- 3 Undecided
- 4 Somewhat agree
- 5 Strongly agree
- 4. Do you feel the benefits you are offered compare with local companies?
 - 1 Strongly disagree
 - 2 Somewhat disagree
 - 3 Undecided
 - 4 Somewhat agree
 - 5 Strongly agree
- 5. Do you feel that you are compensated to match the local cost of living?
 - 1 Strongly disagree
 - 2 Somewhat disagree
 - 3 Undecided
 - 4 Somewhat agree
 - 5 Strongly agree
- 6. Do you feel you have the opportunity to make as much as the private sector?
 - 1 Strongly disagree
 - 2 Somewhat disagree
 - 3 Undecided
 - 4 Somewhat agree
 - 5 Strongly agree
- 7. How much more to you think you position is worth in the civilian market?
 - 1 \$10,000<
 - 2 \$20,000
 - 3 \$30,000
 - 4 \$40,000
 - 5 \$50,000>