

# Understanding the Revolving Door Phenomenon for Retired Mid-Grade Military Officers



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## Abstract

- As the Department of Defense (DOD) places increased emphasis on a smaller, skilled workforce, Human Capital and Social Capital (HC and SC) preservation become more important. The revolving door is an efficient but politically charged HC and SC preservation method.
- How are retired military second careers framed, and how should we understand them? What HC investments does the DOD make in officers, and what use is that investment to second-career employers? How large is the revolving door, and what can we learn by examining it in this officer group?

## Methods

- This project uses DOD databases and previously gathered information to sample retired field grade officers and understand the revolving door. It recognizes the revolving door as an efficient way to maximize HC and SC return and the public perception as an unfair practice.
- It uses statistical analysis to demonstrate retired mid-grade officer second career trends and to identify inferences that can be made about the usefulness of the revolving door impact on increasing the returns to DOD HC investments.

## Findings

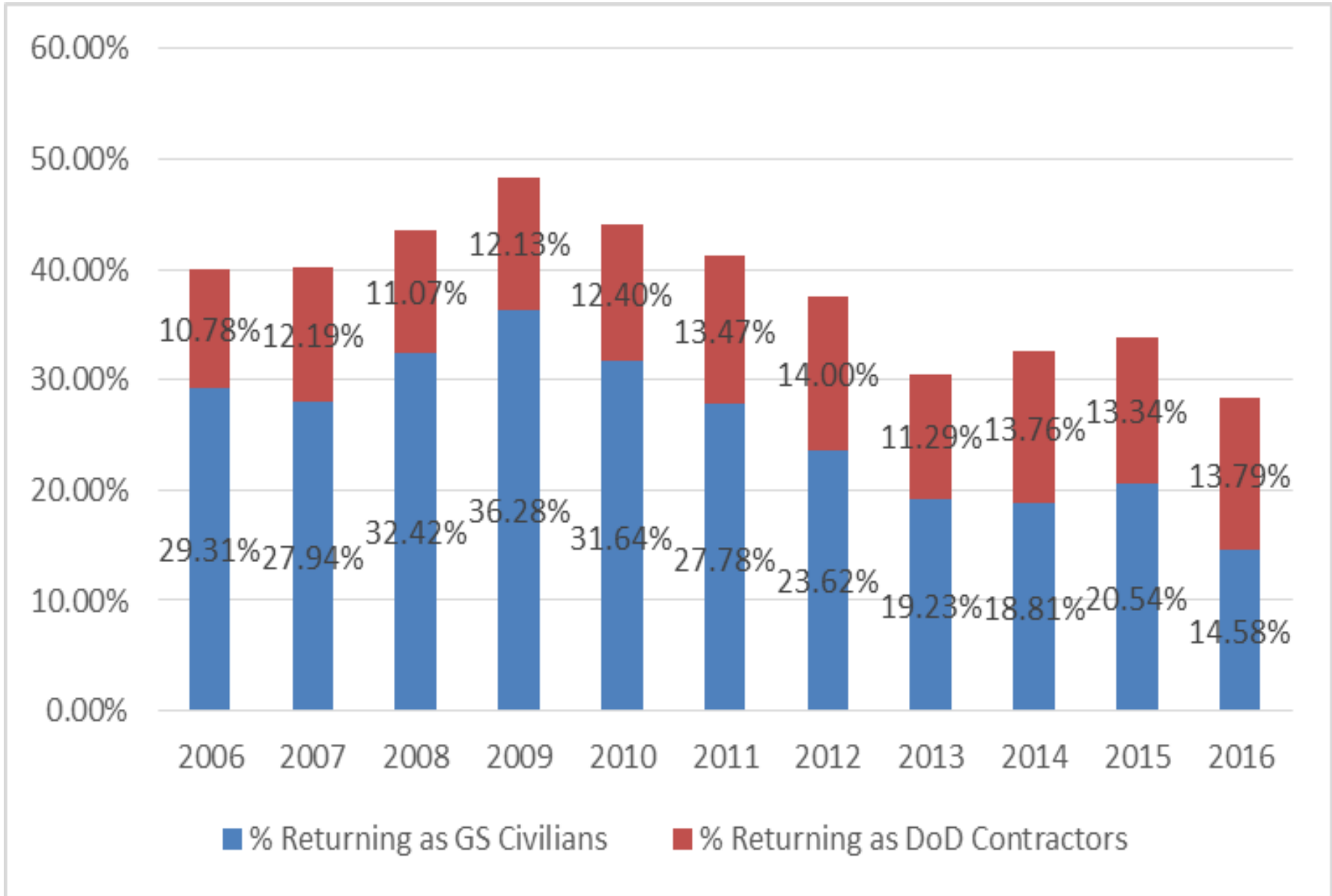
- Retired O-4 to O-6 HCR3 has a .93 correlation factor to DOD civilian hiring trends.
- Retired O-4 to O-6 officers returning to DOD represent less than 2% of annual new GS hires.
- With low re-employment barriers, O-4 to O-6 HCR3 to DOD is consistently between 30% and 40%.
- Re-employed officers have returned to DOD progressively faster from 2006 to 2016.
- GS return rate is falling while DOD contractor return rate is rising

## Conclusions

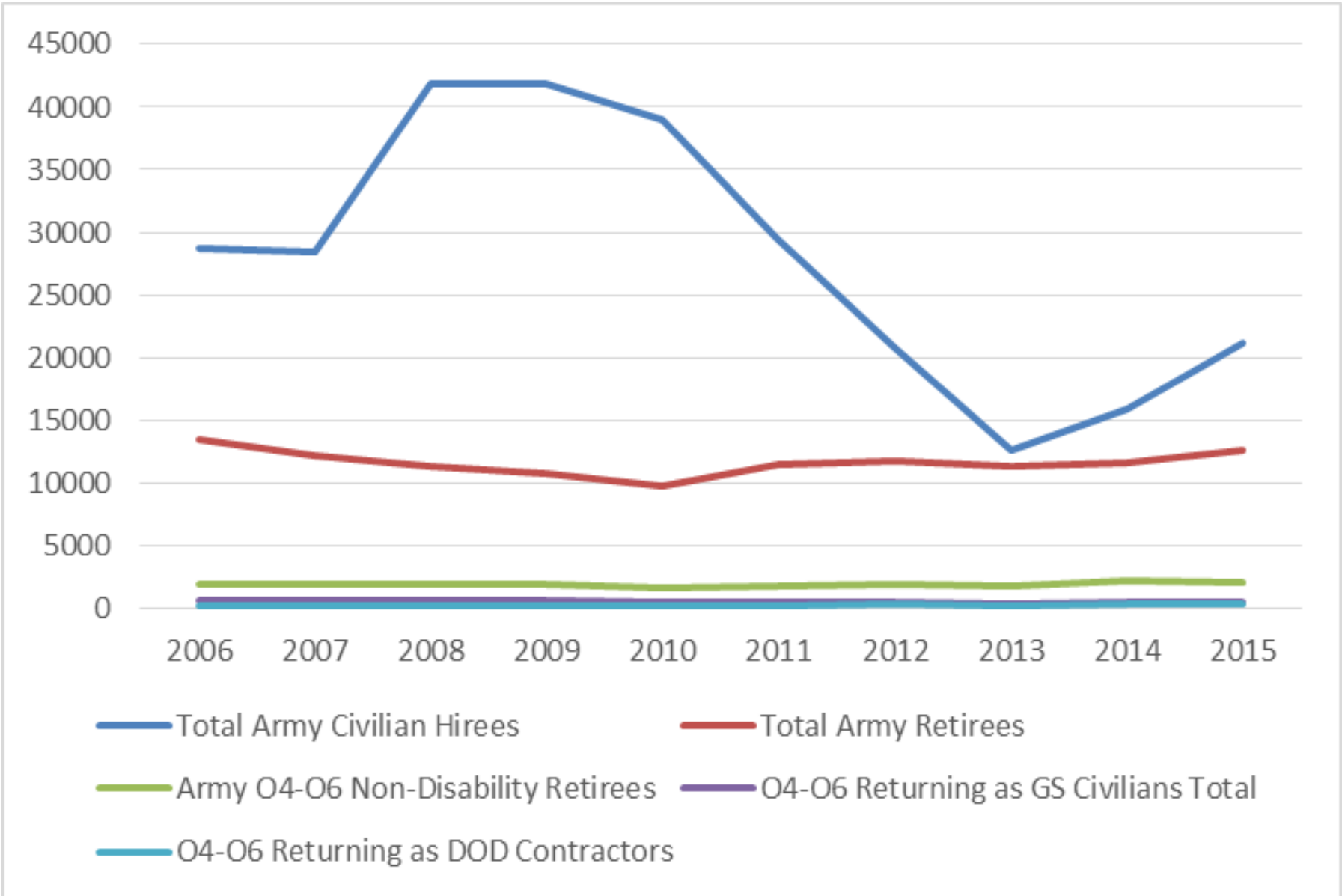
- Contrary to popular belief, there is no mid-grade officer revolving door problem in the DOD.
- There is continued focus on the cost of the revolving door and a lack of focus on the revolving door HCR3 benefits.
- Reestablishing the 180-day cooling off period would be a disincentive for retired mid-grade officers to return to DOD as a GS civilian.
- Under current conditions, HCR3 will likely continue to average between 30 to 40 percent of retirees.
- DOD reliance on contractors will continue to grow and the revolving door will absorb a larger percentage of retirees

## Recommendations

- Continue hiring retired O-4 to O-6 officers within 180-days of retirement to maximize HCR3.
- GS second career start dates should begin after terminal leave ends.
- Monitor the growing trend to return to DOD as a contractor



Retired O-4 to O-6 Human Capital Retention and Reuse Rate (HCR3) 2006-2016



Army Human Capital Supply and Demand 2006-2015