KEEPING
TALENT

Strategies for Retaining Valued Federal Employees

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Booz | Allen | Hamilton

INTRODUCTION

Government agencies spend enormous amounts of time, energy and resources to hire and train qualified employees. But federal managers, human resources (HR) professionals and workforce planners often fail to focus on another important aspect of the human capital equation—retaining the newly hired and experienced workers already on the job.

The retention of qualified federal employees will take on added significance in the near term with Congress already having enacted a two-year pay freeze for non-military employees and poised to consider a moratorium on the hiring of new federal employees as part of the broader effort to cut spending and reduce the growing budget deficit.

A pay and hiring freeze could create conditions that may prompt some employees to seek other opportunities or cause eligible workers to retire sooner than anticipated. Agencies could certainly find themselves short-staffed and unable to fill key positions if a hiring freeze is enacted.

All this means that keeping the right talent, those who are motivated and have the skills that match job requirements, is potentially more critical than ever for federal agencies to perform at a high level and to meet the needs of the American public.

In recent times, however, overall attrition of federal employees has been low and therefore not considered a matter of urgency by agency leaders. In our recent study, "Beneath the Surface: Understanding Attrition at Your Agency and Why it Matters"[1], we reported that the federal attrition rate was 5.85 percent in fiscal 2009 and had declined from 7.6 percent the year before.[2] This rate is noticeably below that of the private sector, which was 9.2 percent in 2008.

Yet these numbers do not tell the whole story. Our study found that attrition rates can vary from agency to agency and, within agencies, by subcomponent, occupation, geographic location, performance, employee diversity, and other factors. Attrition may not seem to be a prob-

lem overall, but there are pockets within agencies and across government where turnover is high and problematic. We highlighted three categories of employees who represent attrition risks—those who are new to their agencies, those eligible to retire within the next one to five years, and those classified as having mission-critical jobs.

Even in difficult economic times, highly qualified workers important to agency operations have other employment opportunities, retire or leave for a variety of reasons. In fact, in difficult times, it may be the best employees who leave.[3]

The cost and consequences of unwanted attrition

Federal sector attrition frequently carries with it the loss of significant and specialized knowledge and experience which can be difficult or impossible to replace. Consider, for example, the cost and feasibility of replacing a senior cancer researcher at the National Institutes of Health (NIH), or a cybersecurity expert at the National Security Agency (NSA), or a retiring chief meteorologist at the National Hurricane Center.

Good employees not only take with them their skills and experience when they leave, but they may leave behind demoralized co-workers—a deterioration of employee commitment and organizational loyalty.[4]

Turnover also can have a substantial impact on federal line managers, who must reorganize existing work. When they are able to replace employees who have left, managers must go through the steps of identifying candidates, conducting interviews, preparing offers and orienting new employees to the new position and organizational culture.[5] Although federal agencies are now working to streamline and expedite the hiring process, in many instances it still takes a considerable period of time to bring new talent on board. If hiring restrictions are put in place in the coming months, this process

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1   *Beneath the Surface: Understanding Attrition at Your Agency and Why it Matters*, Partnership for Public Service, November 2010.

2   Federal attrition refers to all separations of full-time, non-seasonal, permanent employees from an agency for any reason. This includes transfers to another agency, voluntary separations, terminations, retirements and other types of separation.

3   Richard P. Finnegan, *Rethinking Retention in Good Times and Bad*, 2010.

4   John H. Cox, "Smart Steps for Creating an Employee Retention Strategy," Society for Human Resource Management (SHRM) *White Paper*, 2007.

5   "The Cost of Turnover," SHRM *White Paper*, 2005.

could be worsened by the limited number of new employees that will be allowed at each agency.

In addition, private sector data shows that the loss and replacement of employees has a financial cost that can range anywhere from 50 to 200 percent of salary depending on the employee's individual role, seniority, specialization, performance level and on-the-job training received. These costs are comparable in the public sector.

The importance of employee retention and retention analysis

Retention rates serve as an important bellwether for an organization. Retention of newly hired, top-notch employees, for example, means that recruiting and hiring investments are paying off and new skills and energy are flowing into the workplace. Retention of high quality, mid-level and senior-level employees means an agency is benefitting from the judgment and experience of seasoned professionals. This is especially important in government where duties are often complex, have far reaching implications and take time to learn. But high turnover rates may suggest problems in the workplace that need to be addressed.

Agencies should closely examine and understand who is leaving, identify the contributing factors in the work environment and develop retention strategies that make valued employees want to stay.

As part of this process, agencies need to be prepared to deal with emerging issues, such as pay and hiring freezes or the shift to the more portable Federal Employees' Retirement System (FERS) retirement programs with provisions that allow certain employees, such as law enforcement personnel, to retire after twenty years.

The Partnership for Public Service, with Booz Allen Hamilton, examined what makes employees stay with an organization, what retention techniques and tools are currently available to federal human resources professionals and managers, and what they think are the most effective strategies. We primarily focused this report on retention at the workforce level—on having enough people with the right competencies and skills to meet an agency's mission.

Our goals are to help federal agencies better understand retention issues and to provide guidance on how to analyze and prevent the loss of employees that managers want to keep on the job.

"Organizations are finding that quick fixes just don't work, and that the solutions are more about how you treat employees than gimmicks, games, and prizes. True solutions require a change in management's attitudes and behaviors toward employees."

Catherine D. Fyock
"Retention Tactics That Work"
Society for Human Resource Management
White Paper, 1998

"It is important to communicate to employees that you are trying to improve the workplace and improve retention and then actually follow through. Walking the walk is important but so is talking the talk. Packaging retention strategies as such helps improve employees' feelings towards the agency."

Focus Group Participant

THE WHOLE WORK ENVIRONMENT MATTERS

Figure 1   Work environment framework
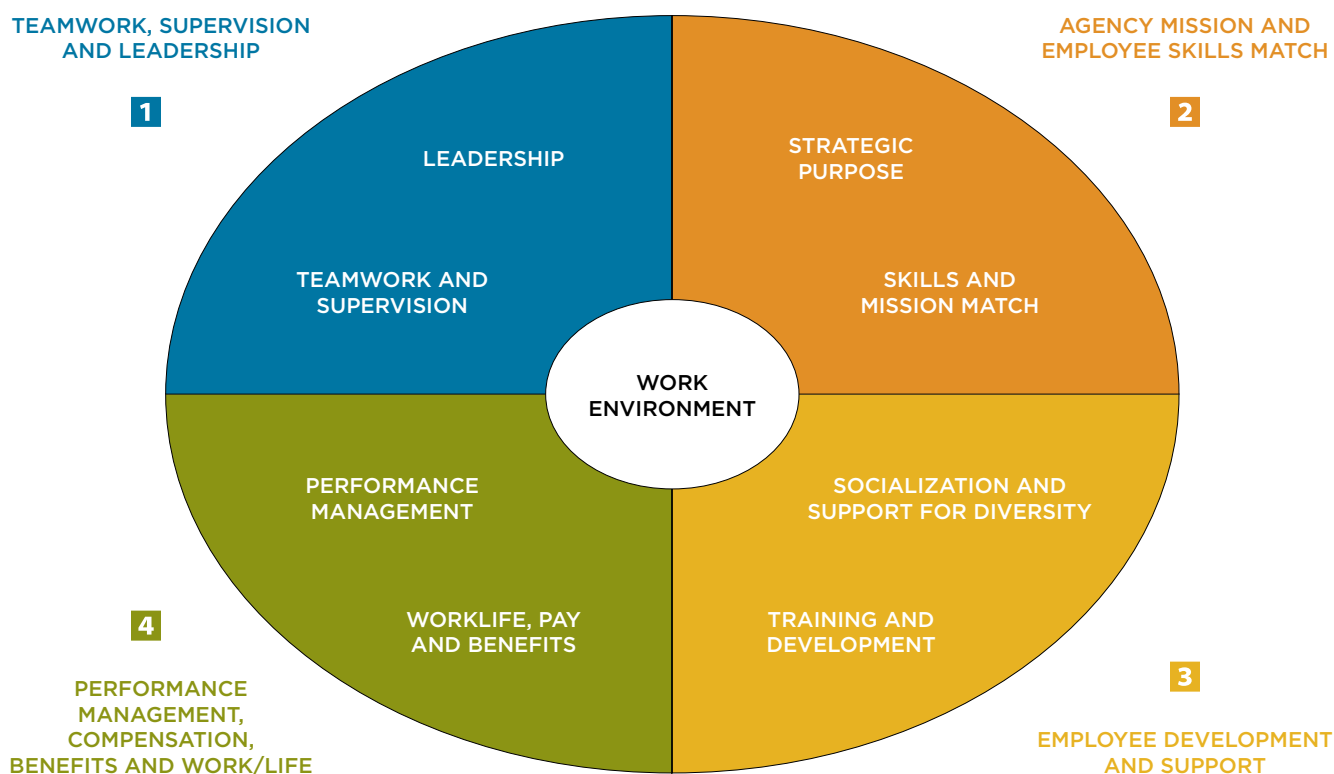
From our earlier study of federal attrition and our examination of retention issues, it is clear that the desire and decision to stay on the job is greatly influenced by many facets of the overall work environment, including an employee's experiences during the first few weeks in the workplace. [6]

In general, employees want to be recognized for their work, use their talents, have an impact, feel empowered, receive support and have opportunities for growth. They want to have good relationships with their supervisors and colleagues, as well as a sense of teamwork and shared mission. They also want a family-friendly environment, and they want to receive fair compensation and recognition for their performance.

Based on our research and using information from the Partnership's *Best Places to Work in the Federal Government*, we developed a framework to illustrate the idea that employee satisfaction depends upon numerous aspects of the work environment.[7] The work environment framework places these workplace issues in four quadrants, or categories.

The four quadrants are important individually and as a whole. Individual employees will likely be most affected by one issue or a set of factors. But in general, significant organizational deficiencies in one area can have a substantial negative impact on overall employee satisfaction and, ultimately, on retention. Together, the

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6   *Getting On Board: A Model for Integrating and Engaging New Employees*, Partnership for Public Service, May 2008.

7   Our work environment framework also relates to the Office of Personnel Management's Human Capital Assessment and Accountability Framework which maps, defines and sets standards for agency human capital systems and functions.

quadrants create and sustain a strong, positive work environment. This can be reflected in an employee's choice to stay or to seek employment elsewhere, and can impact a worker's performance and engagement.

Smart agency leaders should strive to understand the reasons that individual employees and groups or categories of employees leave, and then to use that information to improve aspects of the workplace environment they find lacking. Agencies that focus on meaningful performance, productivity and positive working conditions are increasingly seen as being "a best place to work" or an employer of choice.

"We do employee feedback surveys and analyze that feedback...and we look for targeted strategies. We look at culture and supervision. And we look at all the different teams."

Focus Group Participant

"We build listening and employee surveys into the system. We don't want to just be good; we want to always improve. Our managers are held accountable for making plans to improve employee engagement and satisfaction in areas that the survey reveals as needing attention."

Focus Group Participant

"Our model is a four-legged stool. Managers can be the biggest factor in employees leaving but if any part of the stool is missing, employees could leave."

Focus Group Participant

THE AGENCY VIEW OF EMPLOYEE RETENTION

Line managers typically take a tactical view—focusing on how to retain their individual, valued team members. To this end, they seek assistance from HR in using specific techniques and tools, such as retention bonuses, to achieve their desired result. Agency and HR leaders, on the other hand, take a broader view and must balance the concerns of line managers with their focus on agency-wide goals. This balance between retaining individuals and managing agency-wide personnel needs may result in internal tension between HR leaders and line managers' views of retention.

To get a ground-level perspective on retention issues and explore this balance, we conducted focus groups and surveyed representatives from more than 20 agencies and agency subcomponents to solicit their views and to understand the retention challenges faced by line managers and HR professionals in the day-to-day operating environment.

We found that many agencies use three retention techniques on which the Office of Personnel Management (OPM) provides guidance: retention bonuses; flexible workplaces and work schedules; and student loan repayment programs. In general, we learned that some agencies are paying little attention to retention while others have carefully-crafted retention initiatives backed by top-level leadership. The findings from these inquiries are:

Many agency representatives are not concerned about strategic retention because employee attrition is generally low.
While there are exceptions, many agencies do not consider employee retention to be a serious concern at this time. Our survey found most respondents believed retention was an issue of "moderate importance" largely because overall attrition numbers are low. Perhaps as a result, some agencies primarily limit their efforts to retention bonuses and are not proactively using the many other retention tactics, techniques and strategies to address the reasons employee give for leaving. As stated earlier, if employee attrition increases due to pay and hiring freezes, the agency view may alter and there may be a heightened focus on retaining key employees.

Federal managers do not feel well supported by their HR teams in dealing with individual retention issues.
Federal line managers do not feel HR successfully helps them retain individual employees who are considering leaving. Most managers said that collaboration between HR and line managers on efforts to retain individuals is often weak. However, line managers expect HR to act as a resource for mitigating unwanted attrition. When asked whether HR is successful in helping managers retain valued employees, twice as many human resources leaders as line managers answered in the affirmative, illustrating a disconnect between how HR perceives itself and how line managers view HR's support and effectiveness.

**Managers and HR see a need to create a good work environment, but often favor different approaches.**
While many agencies do not believe they currently have a problem retaining qualified employees, managers and HR staff agreed that creating a positive environment is of considerable importance in building a good place to work. Both acknowledge that a positive work environment can be helpful in implementing retention policies. They typically use work/life balance policies, pay, fiscal rewards and training opportunities to achieve this goal. The two groups also agreed that good leadership and engaging employees are among the most effective strategies to create a good work environment.

HR professionals tended to favor work/life balance policies, such as flexible scheduling, and financial incentives as their top strategies in developing a workplace that will keep good employees.

Line managers, in contrast, favored longer term performance management approaches, including dealing with poorly performing employees and recognizing the good work of others. Line managers said that, by the time employees approach them to say they are leaving, it is too late to keep them with financial incentives. Given that employees typically leave for a reason related to their position, duties or work environment, line managers want to focus on performance- and job-related techniques, such as increasing leadership opportunities.

One key area of agreement among both HR professionals and line managers is about the importance of improving their organization's image and becoming an employer of choice. This joint buy-in may provide an incentive for all parties to come together to develop creative ways to address organizational problems that contribute to attrition, paving the way for improved retention.

Figure 2   TSA workforce initiatives
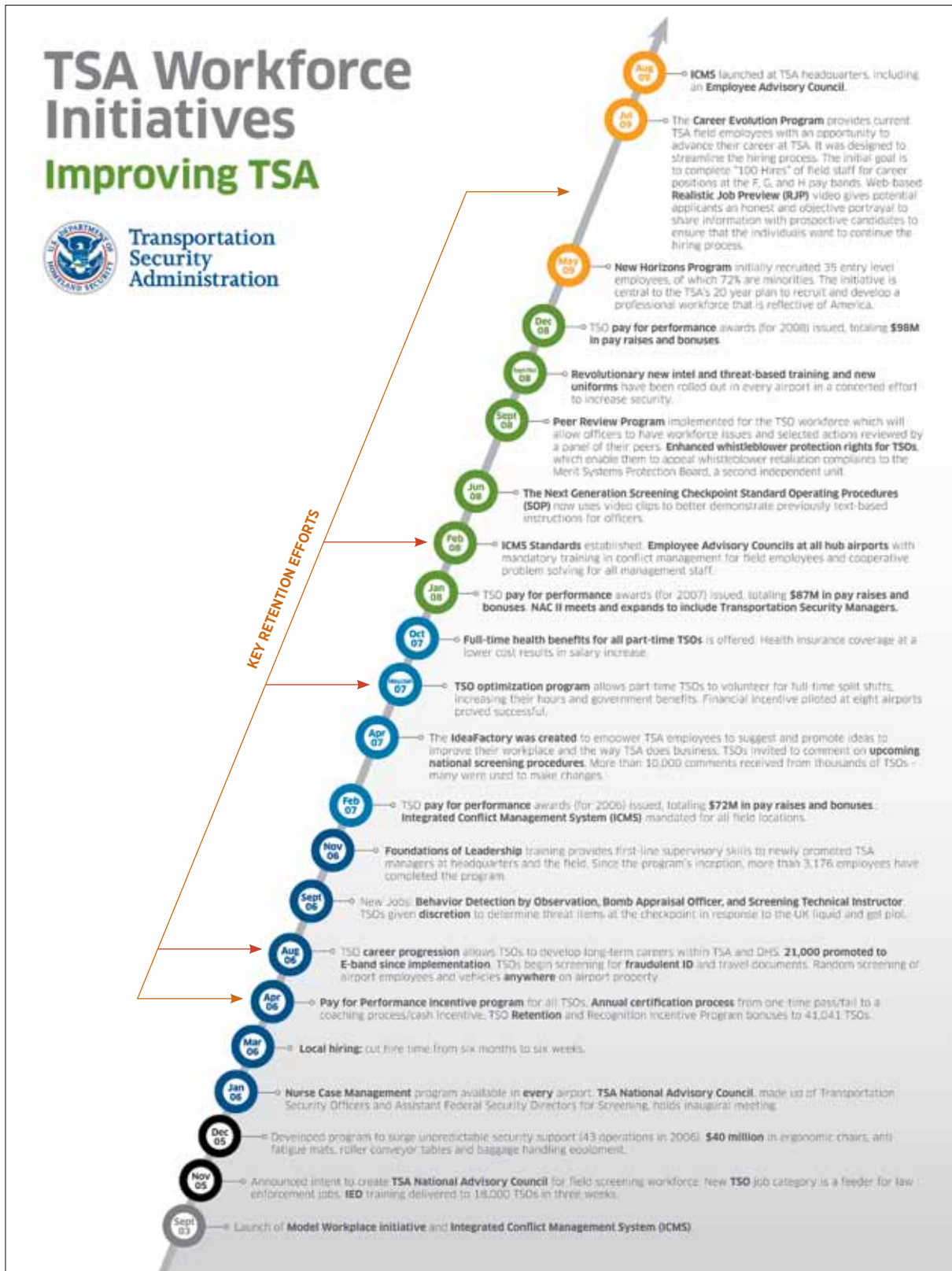
Source: Transportation Security Administration. Retrieved from http://www.tsa.gov/assets/pdf/TSA_improvement.pdf.

TECHNIQUES AND STRATEGIES TO RETAIN TOP TALENT

No single magic bullet or retention strategy will ensure that top quality employees stay on the job.

As shown by organizations such as the Government Accountability Office (GAO), the most effective approach is one in which an agency studies and identifies the groups at greatest risk of leaving in order to understand what is motivating them and then undertakes a long-term effort to address those areas of concern. GAO does this by, among other things, publishing and monitoring annual retention goals and developing and operating a program to maximize the onboarding and retention of entry-level employees through its two-year Professional Development Program.

The Transportation Security Administration (TSA) provides another example, as illustrated in the agency's workforce initiatives chart (figure 2). The chart shows the agency's ongoing efforts, starting in 2003, to increase retention through a series of key actions that range from providing supervisory training to adding new pay bands and making available realistic job previews. As a result, TSA reported that voluntary attrition of full-time Transportation Security Officers (TSOs) for fiscal 2009 was 5.3 percent, a drop of 58 percent from fiscal 2006.

Once agency leaders identify who is leaving and why—by analyzing employee feedback data such as the Federal Employee Viewpoint Survey and exit information, as described in our report on attrition, "Beneath the Surface: Understanding Attrition at Your Agency and Why it Matters"—they can map areas of dissatisfaction against the work environment framework. This will help pinpoint the category areas of greatest dissatisfaction and provide a starting place for selecting retention strategies.

During our research, we identified many different techniques, tools and practices that organizations use to improve retention in both the private and public sectors. They range from the simple to the complex. In the following sections, we briefly describe by workforce environment category some of the most effective ways to retain qualified employees.

WORK ENVIRONMENT CATEGORY 1
Teamwork, supervision and leadership

Numerous studies have shown that good relationships between supervisors and their staff are among the most important factors in creating a positive work environment and retaining employees. Our analysis of Federal Employee Viewpoint Survey data shows that federal employees especially value a cooperative work environment. Employees also look for direction from their leaders—for clarity in how their work and work unit relate and contribute to accomplishing the organization's goals.

Addressing issues of teamwork, supervision and leadership may require new or different behaviors from supervisors, managers, agency leaders and employees. For that reason, this is arguably the most difficult area in which to make changes. Nevertheless, researchers have found that it has the biggest impact on employee job satisfaction and on retention. One manager said, "People don't leave jobs, they leave their managers. I believe people would rather work for the best manager at the worst company rather than the worst manager at the best company."

Selected retention techniques for this area include:

- **Using periodic surveys or questionnaires to gain insight into the way different employee groups feel about agency operations and leadership effectiveness**. If repeated at regular intervals using many of the same questions, this valuable information source enables agencies to study trends in survey responses to determine whether progress is being made. Results from surveys can help identify potential problems and groups at risk for attrition, and communicating progress made can affirm to employees that agency leaders are listening to and acting on their concerns.

- **Conducting "stay" interviews with employees and actively using the results**. A "stay" interview is conducted to solicit current employees' opinions about what they want out of their jobs and what is missing. The most effective interviews are conducted one-on-one between a relatively senior leader and the employee. It is important that these interviews are kept confidential and that they result in action.

- **Requiring training for managers in supervisory skills and in managing employees for teleworking, flexible work arrangements and generational differences**. Such training must include the fundamental skills of managing and communicating effectively with employees.

- **Providing coaching, training and other kinds of support to help problematic managers change and to hold them accountable for improvement**. One side benefit of this technique is that analysis and follow-up actions demonstrate to employees that the organization cares about their work environment and wants to address problematic areas.

WORK ENVIRONMENT CATEGORY 2
Agency mission and employee skills match

An agency's mission can be one of its most powerful recruiting and retention tools. Dedication to making a difference is an important driver for many people interested in working for the federal government.[8] A strong employer brand aligned with the overall organizational vision and mission can help attract and keep the right job applicants.

Selected retention techniques for this area include:

- **Strengthening the assessment process for evaluating and selecting new employees**. Employee "fit" with an agency's mission and needed skills is especially important from the perspective of the employee, as well as the agency.[9] Obviously, employees who have needed competencies are more likely to be successful at an agency. Assessment criteria for evaluating job applicants should reflect the success factors of current employees.

- **Implementing realistic job previews**. When applicants understand what a job entails—the skills needed and what the work and work environment are like—they have a better chance of correctly deciding whether the job will be a good fit. Videos posted on agency websites can provide the needed information quickly and clearly.

- **Strengthening the line of sight between agency mission/objectives and employees**. Smart agency leaders keep employees aware of and focused on the importance of what they do and how it relates to the agency's mission. This can increase engagement and retention. Clear measures of success and progress toward meeting goals helps keep employees up-to-date on the impact of what they do.

- **Building agency reputation as the place to work or as a center of excellence for a discipline or field**. Employees can gain satisfaction from knowing that they work at the leading edge of a field or in an organization that has been recognized for its work. Intentionally striving to build such a reputation can help both attract and retain top talent.

- **Using technology, such as internal social networks, to encourage cross-agency networking and communication about mission-related projects**. This tactic can encourage employees across agencies, subcomponents and work groups to share information, work together to solve problems, socialize and develop contacts for professional development. For some young employees, this kind of access and sharing is an important aspect of the work environment they favor and seek.

IN FOCUS BUILDING A POSITIVE WORK ENVIRONMENT TO COMPETE WITH THE PRIVATE SECTOR AND RETAIN TALENT

At the VA Palo Alto Health Care System (VAPAHCS) in Palo Alto, Calif., the challenge is retaining medical professionals in a locality where the cost of living is high and private industry pays more. Employee retention is an organization-wide effort and VAPAHCS employs multiple techniques.

One technique falls in the mission and skills match category: partnering with a university to perform cutting-edge research.

At the VA Palo Alto Health Care System, executive management puts strong emphasis on research. VAPAHCS houses a variety of specialty programs that offer unique clinical and research opportunities (e.g., geriatric medicine, polytrauma rehabilitation, spinal cord injury, and women's health) that are dedicated to developing best practices and educating the rest of the agency and the medical community. In partnering with Stanford University, VA Palo Alto Health Care System professionals perform cutting-edge research with top academics. Research results are communicated nationwide. The prestige of working with the best and being at the forefront of their fields helps the organization attract and retain top talent.

Further, employees can see clearly how they make a difference to veterans and non-veterans through their research results. This recognition, coupled with the care they provide for patients, is one of the reasons that employees choose to stay at VAPAHCS.

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8 *Great Expectations: What Students Want in an Employer and How Federal Agencies Can Deliver It*, Partnership for Public Service, January 2009.

9 *Closing the Gap: Seven Obstacles to a First-Class Federal Workforce*, Partnership for Public Service, August 2010.

WORK ENVIRONMENT CATEGORY 3
Employee development and support

Researchers have found growth opportunities to be an important motivator for employees to stay at their jobs. These opportunities provide benefits to the organizations, as employees learn and master new skills and knowledge. In the Partnership's report on what American students considering governmental careers are looking for in their future employers, 37 percent identified professional training and development and 30 percent noted sponsorship of future education as important characteristics.[10] There are numerous ways organizations can support employee growth and development, including internal and external training, rotational programs and a broad focus on creating a learning organization.

Employees also must be confident that their work environment is fair and unbiased, as well as welcoming and supportive, especially for newly hired workers.

As one federal manager said, "Employees spend most of their time at work, away from their families. We want to make sure they get the opportunity to interact with the people they spend a lot of time with in both a professional and a social way."

Selected retention techniques for this area include:

- **Implementing and supporting a strong onboarding program to prepare, socialize and help new employees adjust**. Effective onboarding programs can demonstrably influence the satisfaction and retention of new employees and help bring them to full productivity levels quickly.[11]

- **Establishing mentoring programs by pairing more experienced with less experienced employees**. Mentors share what they have learned and give career advice, transferring institutional knowledge and potentially increasing employee engagement and effectiveness. Similar but less formal programs, such as "buddies" and peer mentors, can also be important to building a supportive work environment for employees at all levels and in all disciplines.

- **Encouraging employee affinity groups to support and sustain workplace diversity**. Supplementing the two techniques mentioned above, affinity groups offer support and acculturation to new hires, networking opportunities for employees already on board, and informal coaching opportunities to both

new and current employees, among other benefits. Good examples are groups organized around ethnic backgrounds—such as Blacks in Government.

- **Emphasizing individual development plans to encourage and support employee growth**. Some agencies structure employee development plans around pre-set career paths that focus supervisors and employees on the specific knowledge and experiences to be mastered at each step along the career progression. These plans can be tied to succession planning. Employees should at the minimum have annual reviews of their skills and competencies and develop plans for individual growth and further development.

- **Offering leadership training for selected individuals who meet criteria as potential future leaders, as well as for senior leaders and executives**. Training for employees with leadership potential provides them with new insights, skills and networks to help them grow and develop themselves and the organization.

- **Operating a robust internship program providing a pre-employment opportunity for potential new hires to experience the organization**. Interns can learn whether there is a good fit of their skills with the organization, can gain workplace skills, and can become effective but informal spokespersons for the agency.[12]

WORK ENVIRONMENT CATEGORY 4
Performance management, work/life balance, and pay and benefits

Performance management encompasses setting performance standards and expectations for the job; evaluating employees' performance and accomplishments against the chosen standards and providing feedback; determining when individuals should be recommended for promotion; and recognizing and celebrating accomplishments, teamwork and results. This is important for all employees, but younger generations of employees expect more defined and faster career paths, different management styles, more work/life balance and different forms of recognition.[13] They are also less willing to wait their turn for promotions.

10   Op. cit., *Great Expectations*, January 2009.

11   Op. cit., *Getting On Board*, May 2008.

12   *Leaving Talent on the Table: The Need to Capitalize on High-Performing Student Interns*, Partnership for Public Service, April 2009.

13   Roger D. Sommer, "Retaining Intellectual Capital in the 21st Century," SHRM *White Paper*, 2000.

Because OPM already supports the use of flexible work schedules and is encouraging agencies to embrace telecommuting,[14] the federal government may be seen as an employer of choice in the area of work/life balance. However, not all supervisors feel comfortable with these flexibilities and some need support in this area.

Selected retention techniques for this area include:

- **Offering retention bonuses**.[15] Many human resources professionals emphasized that a retention bonus is one of the few—and often one of the most effective—techniques available when an employee has another job offer and is seriously considering leaving an agency.

- **Offering flexible workplaces and flexible work schedules as part of improving work/life balance**. With increased emphasis on work/life balance among current federal employees, flexible work arrangements are important recruiting and retention tools offering freedom to adjust both work hours and work location. Among the flexibilities provided to federal agencies by OPM are telework, flextime and the compressed work week.

- **Improving the performance management process by strengthening performance appraisals, recognizing accomplishments and providing meaningful feedback**. Strategies include performance-based rather than seniority-based pay increases, performance-based awards, 360-degree feedback for supervisors and top managers and professional coaching for leaders. Often an effective aspect of performance management involves improving employees' line of sight between their jobs and the agency's mission.

- **Using phased-retirement and re-employed annuitant programs that enable agencies to bring back former employees with needed skills for specific projects and also to support knowledge transfer**. In addition, alumni and other post-retirement programs allow agencies to retain access to former employees in case there is a need to call upon them for mentoring of employees and other assistance.

- **Supplementing pay**. Options include the federal student loan repayment program[16] and tuition reimbursement for additional job-relevant training and development. Typically, tuition-related programs require an agreement that the employee continue federal service for one or more years in exchange for the payment. Agencies can also offer transportation and day care subsidies and, in some instances, increased pay rates for jobs that require an employee to use a language other than English.

- **Providing employee and family-friendly benefits**. As examples, agencies can offer on-site day care programs, provide an employee assistance program to help workers deal with complicating factors in their lives or establish on-site fitness facility and wellness programs.

"Work/life balance, particularly hoteling and telework, have been a big emphasis."

Focus Group Participant

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14 *Federal Work/Life Programs: Agencies Generally Satisfied with OPM Assistance, but More Tracking and Information Sharing Needed* (GAO-11-137), Government Accountability Office, December 2010.

15 In 2008, the most recent year for which data are available, $155.8 million was paid for 24,808 retention bonuses across government for an average of $6,284 per bonus, according to OPM's 2008 Report to Congress (January 2010).

16 In the student loan repayment program, agencies may repay up to $10,000 annually and $60,000 in total for each eligible employee. The program requires three years of federal service for each year of payment. In 2009, according to OPM's most recent annual report to the Congress, 36 federal agencies provided 8,454 employees with a total of more than $61.8 million in student loan repayment benefits.

CHOOSING AND IMPLEMENTING RETENTION STRATEGIES

The process of selecting and implementing retention strategies begins with understanding *who* is leaving an agency, *why* they are leaving and *what* retention techniques are currently being used by the agency so that planners can then determine approaches that will more effectively address the problems. Five steps are briefly described below.

1
Analyze attrition

In our companion report on analyzing and understanding attrition, we present a protocol for agencies to examine who is leaving and why. The analysis calls for looking at an entire agency, identifying subcomponents or employee groups that may have high turnover or may be at risk of high turnover and deciding which employee groups deserve a closer look.

After determining who is leaving, agencies need to learn why. The most common source of this information is exit data because it provides feedback directly from individuals who are leaving.

Agencies are increasingly collecting exit survey data. For example, the Treasury Department has implemented a standard exit survey to allow comparisons and analyses across Treasury's various subcomponents, and the National Nuclear Safety Administration is currently implementing an exit survey. In 2009, the Patent and Trademark Office collected in-depth exit survey data from its departing employees to better understand why attrition was high. The agency is using that information to improve patent examiners' jobs and address pain points that were contributing to attrition.

Exit data should be supplemented by analyses of employee feedback survey data. By analyzing the gaps in responses to selected questions in the annual Federal Employees Viewpoint Survey, analysts can gain insight into the satisfaction and dissatisfaction of specific groups of employees. By design, the survey questions align with the categories of the work environment framework (see table 1 on the following page). Analysis will reveal which parts of the work environment seem to be most problematic for employee groups of concern, including those who are considering leaving within the next year.

When aligned with the work environment framework, this information provides a way to select retention tactics to target defined problem areas. Agencies may be able to use this information to address employee concerns, improve their satisfaction and, ideally, improve retention. The steps for conducting this analysis are explained in the call-out box that follows.

IN FOCUS   USING THE FEDERAL EMPLOYEE VIEWPOINT SURVEY TO FOCUS RETENTION EFFORTS

1. Using an agency's survey results, separate the data into categories based on responses to the question, "Are you considering leaving your organization within the next year and if so, why?" Response options are:
   - No
   - Yes, to retire
   - Yes, to take another job with the federal government
   - Yes, to take another job outside the federal government
   - Yes, other

   Typically, an agency begins by comparing those not planning to leave with those who are planning to leave, but the data can be broken down further to look at the different "yes, planning to leave" response types separately. Notably, since the satisfaction of retirees typically differs from that of individuals leaving the agency for other reasons, breaking retiree data out separately can be useful.

2. Rank the data according to selected survey questions to show the gaps between responses of these employees. Categorize and analyze this data to get at the top drivers of intent to stay or leave.

3. Align the questions showing the biggest gaps between "leavers" and "stayers," with the quadrants, or categories, of the work environment model. The four quadrants are:
   - Teamwork, Supervision and Leadership
   - Agency Mission and Employee Skills Match
   - Employee Development and Support
   - Performance Management, Work/Life, Compensation and Pay and Benefits

4. Use this information to focus on major areas in selecting and implementing retention strategies.

5. After further consideration of the pros and cons of the available options, select retention strategies that will best address the major areas of dissatisfaction for employees.

Table 1 Categories of key Federal Employee Viewpoint Survey questions

Categories	Key Federal Employee Viewpoint Survey Questions (2010)
Teamwork, Supervision and Leadership	**Q20** The people I work with cooperate to get the job done. **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/team leader? **Q28** How would you rate the overall quality of work done by your work group? **Q61** I have a high level of respect for my organization's senior leaders. **Q64** How satisfied are you with the information you receive from management on what's going on in your organization?
Agency Mission and Employee Skills Match	**Q04** My work gives me a feeling of personal accomplishment. **Q05** I like the kind of work I do. **Q11** My talents are used well in the workplace. **Q40** I recommend my organization as a good place to work.
Employee Development and Support	**Q01** I am given a real opportunity to improve my skills in my organization. **Q47** Supervisors/team leaders in my work unit support employee development. **Q55** Managers/supervisors/team leaders work well with employees of different backgrounds.
Performance Management, Work/Life Balance, and Pay and Benefits	**Q10** My workload is reasonable. **Q15** My performance appraisal is a fair reflection of my performance. **Q42** My supervisor supports my need to balance work and other life issues. **Q65** How satisfied are you with the recognition you receive for doing a good job? **Q67** How satisfied are you with your opportunity to get a better job in your organization?

2

Review current retention techniques

The next step is to pull together a team of representatives from key organizational groups to examine the agency's current retention strategies—what is working and what is not effective. Depending upon the need, team members could include a designee from the Chief Human Capital Office, a workforce planner with knowledge of attrition and retention patterns, a manager from the agency's learning/training group, line leaders, and managers and employees from the groups targeted for retention.

A useful approach when reviewing existing retention techniques is to align the current techniques with the categories of the work environment framework. For example, a student loan repayment program would fall within the Performance Management and Compensation category, while leadership training programs would fit within the Employee Development and Support category. By aligning current practices relevant to the at-risk group with the framework, the team can identify gaps or major areas that the agency should begin to incorporate into its retention plan. Ultimately, this approach strengthens the retention options already in place, as well as facilitates the development and implementation of new techniques.

3

Identify new retention techniques

Selecting retention techniques can either be corrective (to fix a problem identified during the analysis) or proactive (to address employee concerns and head off a potential attrition problem in the future). Using the work environment framework as a reference point, the areas of concern for a target group can be compared to those addressed by the retention techniques already in place. This process will help identify areas where new retention techniques could be effective.

4

Develop and implement strategies

Instituting an employee retention strategy requires consideration of the forces for and against the plan, consultation with the affected parties, the selection of measures for monitoring and assessing success, and sustained communication with all stakeholders.

Agencies may employ a variety of techniques to create an environment that encourages employees to stay. For example, the NSA brands itself as a prestigious place to work and invests in extensive training and development programs. It provides training opportunities for entry-level employees and makes careful but targeted use of retention bonuses for individuals or groups of individuals with unusually high or unique qualifications.

5

Evaluate and use results to improve programs and achieve agency goals

Savvy agencies evaluate and report on the results and impact of their initiatives. They realize that solutions to complex problems require multi-faceted responses that sometimes extend over several years. Over time, agencies that analyze attrition and focus on retention tend to develop increasingly robust analytic capabilities, sometimes—as at NSA, TSA and GAO—developing sophisticated models that can predict attrition.

By identifying potential areas of dissatisfaction early on, agency leaders can interview employees and work with employee affinity groups to head off developing problems

The most effective way to determine the success of measures implemented to improve retention is to study the same data that was analyzed at the beginning of the process to understand who is leaving the agency and why. First, study whether attrition rates for the target group have decreased. If so, conduct focus groups, review exit survey data and examine employee feedback survey data to make sure that the retention changes made are the cause of the improvement. Then decide whether additional techniques can improve the overall work environment.

If the retention problem persists after implementation of selected techniques, deeper analysis is needed. This process should include consideration of whether the changes made have been fully implemented, determining whether the members of the employee group perceive them in the way they are intended and identifying additional steps or approaches that should be taken.

IN FOCUS   RETENTION AS A KEY PART OF A COMPREHENSIVE WORKFORCE PLAN

The National Institute on Aging (NIA)—one of 27 institutes at the National Institutes of Health—has three critical positions at risk due to attrition: supervisory/senior health science administrators, senior research assistants/lab technicians and administrative officers. NIA held focus groups on these positions to discuss factors that impact workforce planning, workforce succession, training and retention. These conversations and further data analysis led NIA to develop a comprehensive workforce and succession plan, which includes retention techniques. The plan provides retention strategies for the target positions, as well as overall retention strategies that can be applied to all positions. Examples include:

- **Diversity of Strategies**: NIA's plan includes using a variety of retention and development techniques because a strategy that may retain one employee may not retain another. In addition, NIA's plan provides retention methods for all stages of an employee's career to increase the ability to provide tailored retention incentives.

- **Competency-Based Hiring**: NIA will use NIH competency-based vacancy announcements and interview guides to identify best fit candidates.

- **Leadership Development**: NIA will develop a leadership speaker series for aspiring leaders that will give senior managers the opportunity to share their knowledge and experiences.

- **Communication Plan**: NIA developed a communication plan to promote its retention and succession strategies, to explain and reiterate the importance of the effort to the mission of the institute, to open up channels for employee feedback and to provide timely updates. It also outlined the mode of communication, the frequency, the objective and the key messages it will convey.

"You have to make it a part of the job. Whatever it is in the circle that you're using to retain people, you also have to make sure it's part of the managers' expectations."

Focus Group Participant

CONCLUSION

Low overall federal employee attrition rates, coupled with the current state of the economy, can lull agencies into complacency and cause them to underestimate the need for strategies and policies to retain qualified workers who fill critical roles. Indeed, this attitude was apparent in our survey, which found that agency line managers and human resources personnel perceived employee retention to be of only "moderate importance."

Our earlier study of attrition, however, found potential pockets of concern, even if overall agency attrition rates are low. These include newly hired employees, those in mission-critical occupations and those who are or will shortly be eligible to retire. Agencies need to go beneath the surface to determine whether there are problems retaining employees in different groupings, occupations and locations so that they can develop and implement effective strategies.

Agencies must study what employees think about their organization and the specific areas in which they express dissatisfaction—and do something about what they learn. This requires leadership by senior managers in key parts of the organization to collaborate to improve the entire workplace environment.

Consequently, HR and line managers must work together supportively and creatively to retain individuals who are planning to leave, as well as to help implement broader strategies that address concerns from employee groups or about the agency as a whole. The options can include better recruiting and hiring, improved onboarding, employee training, advancement opportunities, increased pay, and improved supervision. It could mean bonuses, workplace flexibilities, student loan repayment programs and many other actions or programs that will improve the work environment for employees.

Success in any of these endeavors requires senior managers to communicate that talent retention is an agency-wide priority. This will be especially important in the next several years, when federal hiring may be restrained by reduced agency funding levels or cut back by a hiring freeze. Losing the most important employees could have significant implications for agencies if they cannot be replaced in a timely fashion or at all. Therefore, agency leaders need to marshal and align numerous programs, resources and people to assure that their organizations are on a path to be employers of choice. That means empowering and charging human resources and line managers to develop and carry out retention strategies.

Ultimately, focusing on retention will force organizations to examine the interests and needs of their employees that have been left unrealized by current job circumstances. When agency leaders engage in understanding who is leaving and why and attempt to create a positive and productive work atmosphere, all cannot help but benefit.

APPENDIX A
METHODOLOGY AND ACKNOWLEDGEMENTS

METHODOLOGY

The Partnership for Public Service and Booz Allen Hamilton studied federal employee retention to arrive at guidance and recommendations for federal agencies. We studied what makes employees stay with a federal agency, the retention techniques and tools federal HR and line managers currently have available to them and those they think are most effective. Further, we built on our previous analysis of attrition data (see companion report, "Beneath the Surface") that enables agency leaders and workforce planners to understand who is leaving their agencies and why and to identify target groups where retention strategies are needed. In this report, we present a process for choosing and applying retention techniques.

As part of our study, we discussed retention strategies with five agencies: The National Security Agency, the Internal Revenue Service, the Transportation Security Administration, the Government Accountability Office and, to a lesser extent, the Natural Resources Conservation Service at the Department of Agriculture. We developed a work environment framework that presents the major dimensions of the employee work environment. These relate to the dimensions of employee satisfaction that comprise the Partnership's annual *Best Places to Work in the Federal Government* analysis.

To understand the retention issues faced by line managers and HR professionals in a day-to-day operating environment, we collected information from both groups through focus groups and a survey. We found that retention programs in some agencies were carefully thought through, agency-wide, well-managed efforts to make the agency an excellent place for employees to work. Our research participants came from more than 20 agencies or agency subcomponents.

Finally, we gathered basic information about OPM's major retention-related techniques and the Human Capital Assessment and Accountability Framework.

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APPENDIX B
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In addition, as mentioned in Appendix A, in conducting this study we held in-depth discussions with representatives of the Transportation Security Administration and the Office of the Chief Human Capital Officer within the Department of Homeland Security; the Government Accountability Office; the Natural Resources Conservation Service within the Department of Agriculture; the Internal Revenue Service; and the National Security Agency.

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