



# BENEATH THE SURFACE

Understanding Attrition at Your Agency and Why it Matters

NOVEMBER 2010



PARTNERSHIP FOR PUBLIC SERVICE

Booz | Allen | Hamilton

The Partnership for Public Service is a nonpartisan, nonprofit organization that works to revitalize the federal government by inspiring a new generation to serve and by transforming the way government works.

Booz Allen Hamilton has been at the forefront of management consulting for businesses and governments for more than 90 years. Providing consulting services in strategy, operations, organization and change, and information technology, Booz Allen is the one firm that helps clients solve their toughest problems, working by their side to help them achieve their missions. Booz Allen is committed to delivering results that endure.

## INTRODUCTION

### THE IMPORTANCE OF ATTRITION

Employee attrition in the federal government historically has been quite low, leading many people to believe that it should not be a matter for concern or cause for serious attention.

But overlooking the importance of employee turnover and failing to understand exactly who is leaving federal employment and why they are leaving would be a mistake for government managers, workforce planners and human resources professionals.

Employee attrition, depending on an individual's talents and the type of job involved, can have a significant impact on how agencies implement policies and programs, deliver services and meet the needs of the American people. It also can have other significant consequences, both positive and negative.

On the plus side, attrition can create space in an agency for new talent and skills, remove workers who are not performing well and provide promotion opportunities for highly capable but less senior employees.

On the negative side, the loss of experienced employees due to retirement or more promising opportunities can deal a serious blow to an agency's operational capacity and performance if the departing workers leave with institutional knowledge and organizational savvy that up-and-coming staffers don't yet have. Too much attrition of recently hired employees or those with special skills also can have a significant adverse impact.

Attrition, moreover, is an important bellwether about the state of the workplace environment.

High turnover is a useful indicator of employee dissatisfaction with an organization and can suggest problems with the management skills of leaders or individual supervisors, the nature of the workplace environment or the organizational systems and processes. For example, while attrition of recently hired employees means a loss of the considerable investment expended to bring them on board—literally money down the drain—it also can indicate weaknesses in the agency's recruiting, hiring and on-boarding processes, as well as shortcomings in supervision.

As part of sound management practice and good workforce planning, federal leaders need to develop a clear picture of employee attrition and understand how it is impacting operational capacity, the health of the workplace and the agency mission.

---

### IT'S NOT JUST THE COST OF REPLACING A FEDERAL EMPLOYEE THAT MATTERS

---

Researchers have reported that the financial cost to replace a private sector employee who leaves generally can run from 50 percent to 200 percent of the employee's annual salary depending on the individual's role, seniority, specialization, performance level and training received while on the job.

But the loss sometimes involves more than money. It is difficult to place a value on key federal employees like a retiring chief meteorologist at the National Hurricane Center, an experienced claims processor for the Social Security Administration (SSA), a cancer researcher at the National Institutes of Health (NIH), or a cybersecurity expert at the National Security Agency (NSA). In the federal government, attrition can potentially affect an agency's homeland security mission, the nation's ability to respond to a pandemic influenza outbreak or the ability to monitor the integrity of our financial markets and economy. Losses like these can have impacts that far exceed financial costs.

---

### IN FOCUS THE COST OF ATTRITION

Turnover costs fall into five categories and include:

- Separation processing costs—the time, expenses and resources required to process a departing employee.
- Replacement hiring costs—sourcing of new candidates, interviewing and hiring expenses to find new staff.
- Training new hire costs—onboarding time and expenses, manager time spent familiarizing new employees with their jobs and new hire training.
- Lost productivity or operational costs associated with delays and backups in completing tasks as well as lost revenue.
- Lost institutional knowledge, potentially decreased employee morale and a performance gap as the new employee gets up to speed.

T. Simmons and T. Hinkin, T. The effect of employee turnover on hotel profits: A test across multiple hotels, Cornell Hotel and Restaurant Administration Quarterly, August/September 2001.

## **TO UNDERSTAND ATTRITION, WORKFORCE PLANNERS NEED TO LOOK BENEATH THE SURFACE**

---

Agency leaders need to understand not only who is leaving, but the reasons for their departure. With this information, they can develop strategies to retain those employees they most want to keep or prepare to transfer knowledge and replace those who inevitably will leave due to retirement.

In performing this study to understand federal attrition and its key drivers, the Partnership for Public Service with the support of Booz Allen Hamilton conducted an extensive literature review and held focus groups with line managers and human resources professionals from more than 20 agencies. We conducted in-depth interviews with workforce planners and human resources professionals at five federal agencies, analyzed federal attrition data from the Central Personnel Data File (CPDF) and used information from the 2008 Federal Human Capital Survey (recently renamed the Federal Employee Viewpoint Survey).

This report provides leaders and workforce planners with an approach for analyzing and understanding their attrition. This information provides the foundation for a second report by the Partnership and Booz Allen Hamilton that will focus on retention—looking at why people stay and what strategies to follow to maintain a stable, high-performing workforce.

## WHO IS LEAVING IDENTIFYING POCKETS OF CONCERN

Overall, attrition in the federal government is relatively low. At 7.6 percent in fiscal 2008, the federal attrition rate was below that of the private sector, which was reported by the Saratoga Institute to be 9.2 percent in 2008.<sup>1</sup> Federal attrition further declined in fiscal 2009 to 5.85 percent.<sup>2</sup> Federal human capital leaders with whom we spoke credited the decline in the government employee attrition rate largely to the downturn of the economy.

Federal attrition in this report 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. See the attrition breakdown to the right for fiscal 2009.

While the overall government attrition rate is low, that number is in many ways deceptive and does not tell the complete story. Low attrition could actually be a problem for agencies that need fresh thinking and change. Some agencies may welcome more turnover. Low attrition may also mask a problem that isn't readily apparent unless agencies look beneath the surface.

What is most important is to look within individual agencies, at their subcomponents and at key groups where the rates may be higher and suggest problems. Our study found three significant groups to focus on when examining federal employee attrition—the newly hired, those eligible for retirement and employees in mission-critical occupations.

### HIGH TURNOVER OF NEW EMPLOYEES

The government is losing too many new hires—the same talent it is working so hard to recruit and bring on board. We conducted a longitudinal attrition analysis of newly hired employees from fiscal 2006 through fiscal 2008 and discovered that 24.2 percent left their jobs within two years.<sup>3</sup>

1 2009/2010 US Human Capital Effectiveness Report, Saratoga Institute, 2009.

2 The method used to calculate the attrition rate involves dividing the number of separations throughout the fiscal year by the size of the workforce at the end of that fiscal year.

3 To conduct this longitudinal analysis—to track the individuals who started to see how many actually left within 24 months—we used data from the Central Personnel Data File. Of the 115,670 new hires

### IN FOCUS FEDERAL ATTRITION BY THE NUMBERS (FISCAL 2009)

#### Overall attrition

The federal government's overall attrition rate was 5.85 percent (102,750 losses of 1,757,105 federal employees). This percentage includes transfers to other agencies, retirements, resignations, terminations and deaths.

#### Resignations

- 1.6 percent (27,339) of federal employees resigned (excluding retirements) from federal service.
- 22 percent (6,080) of employees who resigned had less than one year of federal service.
- 69 percent (18,839) of employees who resigned had less than five years of federal service.

#### Transfers (individuals, not offices or divisions)

- 1.1 percent (19,650) of employees transferred to another agency.
- 3.8 percent of employees who transferred served less than one year.
- 24 percent of employees who transferred served less than five years.

#### Retirement – actual and eligible

- 28 percent of employees (494,619) were eligible to retire in fiscal 2009.
- 2.3 percent (43,649) of federal employees—8.8 percent of those eligible—retired.
- 48 percent of federal employees (792,347) will be eligible to retire in fiscal 2015, according to OPM projections for full-time permanent employees on-board at the beginning of fiscal year 2009.

#### Involuntary separations

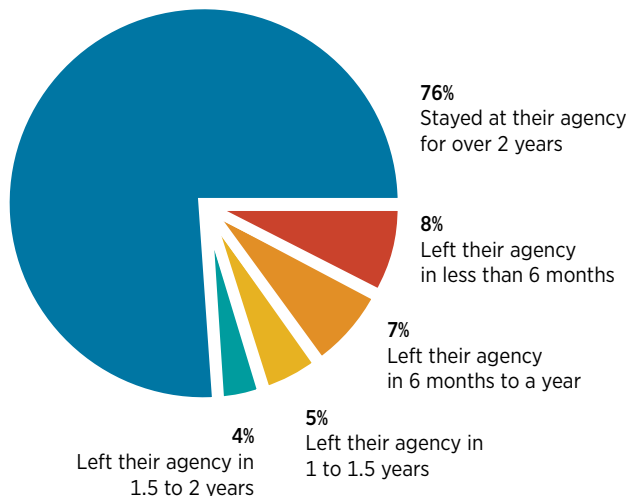
Included 0.5 percent who were fired and 0.35 percent who died or left for other reasons.

Figure 1 on the following page shows that the attrition rate for newly hired employees varies widely among the agencies, with some federal workplaces such as the Departments of Treasury, Commerce and Homeland Security losing more than one-third of their new workers within two years. The reasons for the turnover of the newly hired undoubtedly vary from agency to agency, and may include the nature of jobs and a host of other factors. But the loss of a high percentage of newly hired employees should raise a warning flag and be cause for further examination to find out exactly where and why the turnover is occurring and whether or not it represents a problem.

.....  
(including transfers) who started in fiscal 2006, 24 percent (27,761) left their agency within 24 months.

**Figure 1**  
Employees new to their agency in fiscal 2006

115,670 employees



Source: Central Personnel Data File, fiscal 2008

Even Presidential Management Fellows (PMFs), who compete and are carefully selected for their two-year developmental programs, leave. We found that 33 percent of those selected to be PMFs in fiscal 2006 left their sponsoring agency by the end of fiscal 2008. Nineteen percent left government completely and another 14 percent transferred from their sponsoring agency to another federal office.<sup>4</sup>

The financial cost to hire and train new employees is significant and this investment may be lost if a significant portion of new employees leave within one to two years after being hired. A human resources professional at the Office of the Controller of the Currency (OCC) told us that it takes five years for new employees to become full performance bank examiners and that if they leave before that, the agency’s recruiting and training efforts essentially amount to throwing money down the drain.

The government-wide implications of the overall attrition data on newly hired employees are sobering. As of the end of fiscal 2009, only five percent of federal employees had served less than one year, and just 10 percent had up to two years of service. With a large percentage of this already small population of new hires leaving,

<sup>4</sup> Percentages obtained from a longitudinal analysis of data from the Central Personnel Data File, fiscal 2006 – fiscal 2008.

the federal government’s pipeline of future managers and leaders could be greatly diminished. Government has few opportunities to build its workforce and can ill afford to lose existing talent, especially when the wave of retirements seems poised to become reality.

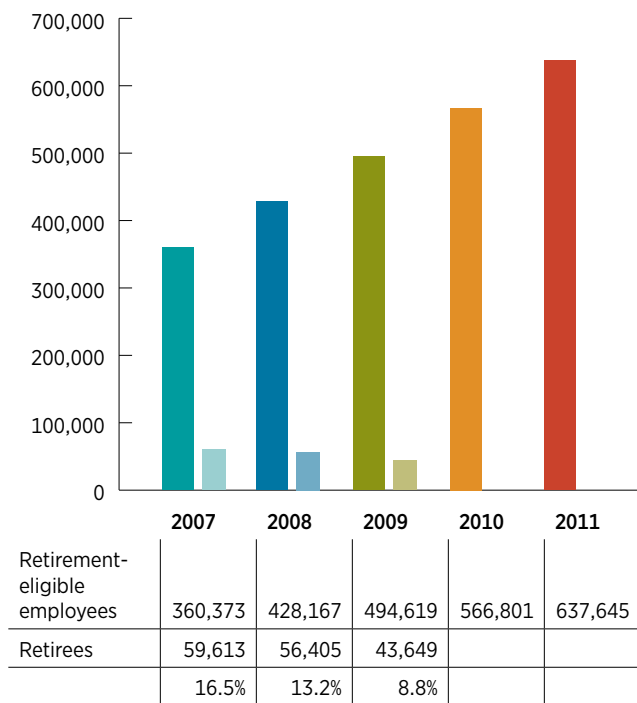
**IMPENDING TURNOVER OF EXPERIENCED TALENT**

The long-predicted federal worker retirement “tsunami” and the resulting government “brain drain” have been delayed due to the economic downturn, but are inevitable.

More than 28 percent of all federal workers or an estimated 494,619 employees were eligible to retire in fiscal 2009, according to the Office of Personnel Management (OPM). As it turns out, less than nine percent or 43,649 federal workers eligible to retire actually retired in fiscal 2009, most likely due to the uncertainties caused by the nation’s economic crisis. However, the increasing number of federal workers eligible and likely to retire in the near future poses a major challenge for many federal agencies.

**Figure 2**  
Retirement from federal service

Fiscal 2009, non seasonal permanent employees government-wide



**Table 1** Attrition rates of the newly hired by agency

Agency	Total hires in fiscal 2006	Percent of those hires who separated from the agency in less than 2 years
Department of Treasury	7,696	36.5
Department of Commerce	4,540	36.0
Department of Homeland Security	15,570	35.6
Department of Veterans Affairs	16,280	26.3
Department of Defense	7,369	25.1
Department of Labor	1,080	25.1
GOVERNMENT-WIDE	115,670	24.2
Department of Interior	2,349	23.9
Department of Education	201	23.4
Office of Personnel Management	618	23.1
Department of Agriculture	3,650	21.2
Department of Justice	4,348	20.4
General Services Administration	678	18.6
Social Security Administration	1,986	18.5
Department of the Navy	11,152	18.3
Department of Health and Human Services	2,689	18.2
Department of the Army	16,269	18.2
Environmental Protection Agency	476	18.1
Department of Transportation	2,149	17.9
Department of Housing and Urban Development	383	17.2
Department of Energy	801	17.2
NASA	453	15.7
Department of the Air Force	11,361	15.3
Office of Management and Budget	62	14.5
Department of State	747	14.5
Nuclear Regulatory Commission	342	10.8

Source: CPDF, fiscal 2006 - fiscal 2008

By 2015, OPM estimates that more than 48 percent of all federal employees will be eligible to retire, including more than 67 percent of federal supervisors.

The implications of senior leader attrition—members of the Senior Executive Service (SES)—are especially significant for the government. In 2008, 503 members of the SES retired, followed by 400 in 2009. Those two years of retirements represent 13 percent of the nearly 7,000 top career federal leaders.

In the near future, those numbers could be even higher as retirement eligibility is particularly high for these top leaders. According to the Internal Revenue Service (IRS) strategic plan, 52 percent of SES employees at the

IRS are eligible for retirement in 2010.<sup>5</sup> Likewise, at the National Institute of Aging, 100 percent of the senior leadership will be eligible to retire by 2015.

When eligible employees across the government eventually retire in large numbers, knowledge loss will be exacerbated.

<sup>5</sup> IRS Strategic Plan 2009-2013, Internal Revenue Service, 2009.

**Table 2** Attrition of federal employees by MCO

Mission Critical Occupation	Number of Employees Government-wide	Attrition Rate
Transportation Safety	24,609	29.5
Nurse	2,399	17.9
Border Patrol Agent	17,251	15.6
General Investigation and Inspection	1,802	13.9
Claim Assistance/Examination	1,735	13.2
Human Resources	9,052	13.0
Mine Safety and Health	1,423	12.8
Contracting	5,418	12.7
Transportation Security Officer	41,826	12.7
Administrative Law Judge	1,192	12.5

Source: Central Personnel Data File, fiscal 2008

## THE IMPORTANCE OF EMPLOYEES IN MISSION-CRITICAL OCCUPATIONS

Agencies and OPM identify certain occupations as “mission-critical” (MCOs). In some instances, these positions are unique to an agency, such as the transportation security officers (TSOs), who work in the Transportation Security Administration (TSA). Other mission-critical fields, such as contracting officials, exist in most if not all federal agencies. We found that attrition varies from MCO to MCO, but in some instances it is quite high. For example, the annual attrition for nurses in 2008 was 18 percent while human resources personnel and contracting officials across government had roughly 13 percent turnover. The attrition rate for administrative law judges was about 12.5 percent. Table 2 above shows attrition rates of the top ten mission-critical occupations with the highest attrition rates in the federal government.

Given that human resource specialists, acquisition professionals, transportation safety and security officers and other professionals in mission-critical occupations require an upfront investment to train, attrition of employees with critical skills is of particular concern given the vital role they play in support of their agency missions.

## POSITIVE ATTRITION

In addition to solving problems related to unwanted attrition, federal leaders have expressed concern about the importance of identifying individual employees who are not a skill match for the agency or whose performance is not good enough. Addressing these situations is typically complex, requiring careful consideration of the skill or performance characteristics of each individual. In these situations, the line manager should work closely with human resources and possibly agency legal staff.

To facilitate the removal of newly hired employees who are not right for the job, smart agencies use the one-year probationary period to make judgments on performance and suitability. Another means of increasing the likelihood of making good hires and minimizing attrition is to employ entry level staff who have formerly served as interns and shown their suitability for the job.<sup>6</sup> Agencies should also use better assessment instruments to identify quality job candidates.<sup>7</sup>

<sup>6</sup> *Leaving Talent on the Table: The Need to Capitalize on High Performing Student Interns*, Partnership for Public Service, April 2009.

<sup>7</sup> *The Weakest Link: How Strengthening Assessment Leads to Better Federal Hiring*, Partnership for Public Service, August 2010.



## WHY EMPLOYEES LEAVE, WHY THEY STAY

Analysis of who and how many people leave an agency is a routine part of workforce planning—something that virtually all agencies do at least annually to some degree to prepare their budget requests and to report on their progress. Agencies typically use data available from their human resources information and payroll systems on the basic characteristics and demographics of their employees as well as their entry-on-duty and attrition information. They also can rely on the Central Personnel Data File for comparative government-wide data.

However, these data alone provide an incomplete picture. It is equally important to know why people are leaving. Research by the Saratoga Institute revealed that the top three reasons private sector employees leave are: little opportunity to grow and develop; a poor relationship between employees and their direct managers; and compensation.<sup>8</sup> Other reasons identified in the study were a feeling of being devalued and unrecognized, a lack of communication from managers, a loss of trust of top leaders and stress due to internal politics.

Current government-wide information on why federal employees leave their jobs is not available. A now-dated 1990 study of federal attrition by the Merit Systems Protection Board (MSPB) entitled, *Why Are Employees Leaving the Federal Government?*, cited compensation, advancement, organization and management issues as the key factors in worker departures.<sup>9</sup>

### THE WORK ENVIRONMENT MAKES A BIG DIFFERENCE

There are a number of reasons why people decide to stay in their job. Researchers have found that because of personal variations in decision-making, the reason one individual will leave a job might be the reason another will stay.<sup>10</sup> Major motivating “stay” factors are pride in one’s place of work, good supervisory relationships, fair compensation packages, opportunities for growth, good relationships with colleagues and meaningful work.<sup>11</sup>

8 Leigh Branham, *The 7 Hidden Reasons Employees Leave*, Saratoga Institute, 2005.

9 *Why are Employees Leaving the Federal Government? Results of an Exit Survey* Merit Systems Protection Board, Washington, D.C., 1990.

10 Harvard Business Review. February 2010.

11 Harvard Business School Press. “Keeping the Best: Why Retention Matters.” *Manager’s Toolkit: The 13 Skills Managers Need to Succeed*. Boston: Harvard Business School Publishing Corporation, 2004.

These issues are a critical part of designing a workforce retention strategy.

Thus, agencies that offer a work environment that focuses on meaningful performance and productivity while giving employees the working conditions and environment they want can make the federal workplace an employer of choice.

One advantage federal agencies often offer over the private sector is the opportunity to make a difference and to do work that benefits of the American people. This can be very compelling for employees at all levels. Employees want to make full use of their talents, receive recognition, have opportunities for growth and be properly compensated. They also want to work in a family-friendly and collegial environment, and with supervisors that they respect.

Being an employer of choice requires that many different functions and operations within an agency work together thoughtfully and efficiently to create a positive and productive workplace.

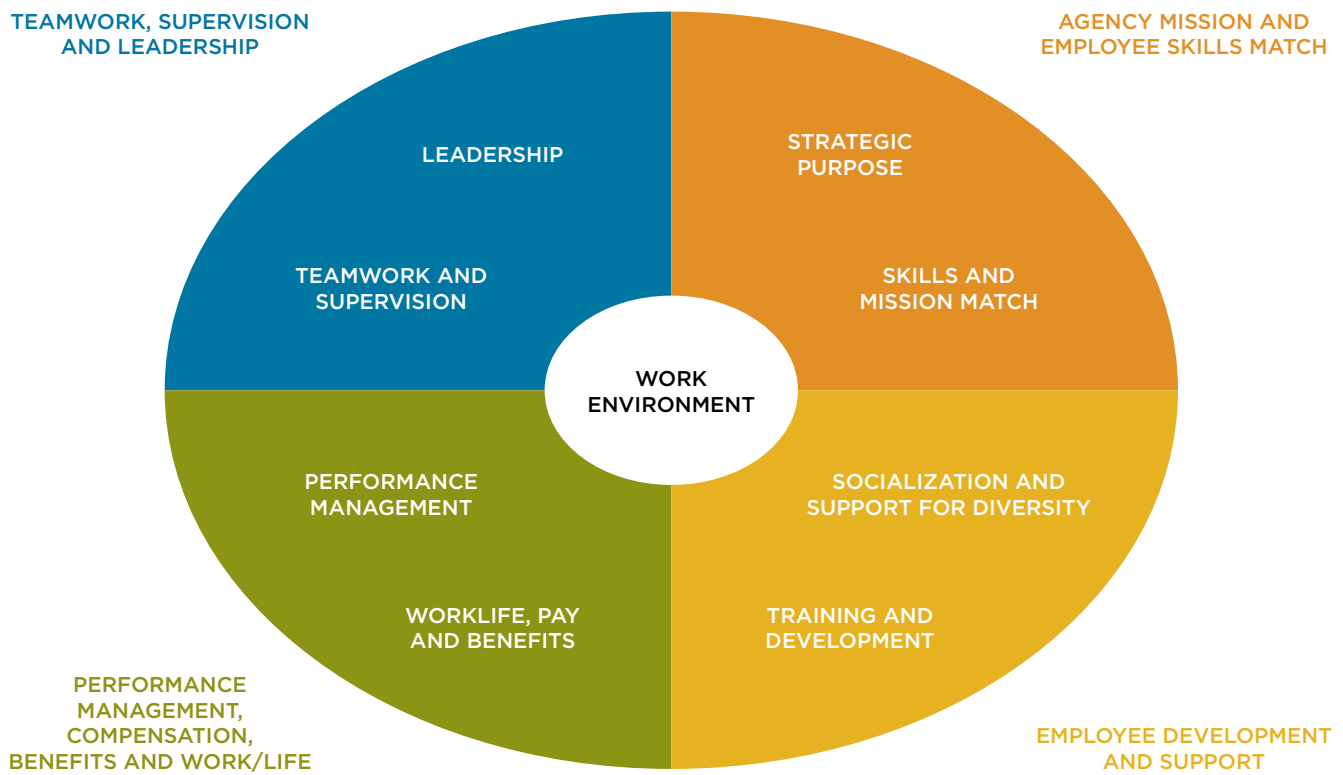
Based upon our research, a literature review and use of analytic categories from the Partnership’s *Best Places to Work in the Federal Government* rankings, we developed a work environment framework to illustrate numerous aspects of the work environment that may influence employee decisions to stay (see figure 3).<sup>12</sup>

Important to this framework is the integration of all four parts of the work experience. Together, they create and sustain a strong, positive work environment. Significant deficiencies in one area can have a substantial impact upon employees. Employees can either “vote with their feet” or with their engagement and attitude if any key aspect of the work environment is seen as a problem. Smart agency leaders understand that, even in these difficult times, employees have choices. These leaders seek to understand the basis for their employees’ decisions to leave.<sup>13</sup>

12 Parts of the work environment framework are similar to the *Human Capital Assessment and Accountability Framework* (HCAAF) developed by the Office of Personnel Management. The HCAAF maps and measures human capital systems at the macro level while the work environment framework maps human capital at the micro level, from an employee’s experience.

13 See Appendix A for a list of Federal Employee Survey Viewpoint questions that can be used to measure each dimension of the work en-

**Figure 3** Work environment framework



**IN FOCUS FACTORS OF THE WORK ENVIRONMENT**

**Teamwork, Supervision and Leadership**

Numerous studies have shown that good relationships between supervisors and employees are among the most important factors in an employee’s work environment. Our analysis of Federal Employee Viewpoint Survey data shows that federal employees especially value a cooperative work environment. Employees look for direction from their leaders—for clarity in how their work and work unit relates and contributes to accomplishing the organization’s goals.

**Agency Mission and Employee Skills Match**

An agency mission can be one of the most effective recruiting and retention tools. Dedication to making a difference is one reason that federal employees tend to have low overall attrition rates. A strong employer brand aligned with the overall organizational vision and mission helps define the culture and attract the right job applicants. Beyond that, an employee’s fit with agency mission and needed skills is especially important.

environment. Further guidance for using the work environment framework to develop and implement retention strategies will be available in a separate report about employee retention.

**Employee Development and Support**

Good onboarding can help new employees achieve maximum productivity quickly and embed them in the organization with the tools and information needed to do the job. But it is just as important that training and developmental opportunities are provided throughout an employee’s career. Employees also must be confident that their work environment is fair and unbiased and that rewards and promotions are based upon performance.

**Performance Management, Compensation, Benefits and Work/Life**

Performance management encompasses setting performance standards and expectations for job functions; evaluating employees’ performance and accomplishments against those standards; providing feedback including developmental support; determining when individuals have demonstrated the capacity to be promoted; and recognizing and celebrating accomplishments, teamwork and results. New generations of employees have demands for new career paths, different management styles, different workplace flexibilities, a learning environment and different means of recognition.<sup>14</sup> They also are less willing to wait their turn for promotions, prompting a call for new patterns and means of communication between supervisors and employees.

14 Roger D. Sommer, “Retaining Intellectual Capital in the 21st Century,” SHRM White Paper, 2000.

**AN IMPORTANT SOURCE OF INFORMATION—EXIT DATA—IS NOT GATHERED OR USED CONSISTENTLY TO UNDERSTAND WHY EMPLOYEES LEAVE**

Although there is no uniform information collected across the federal government about why employees leave, more and more agencies are implementing exit data collection systems by using online surveys or in-person interviews to gain an understanding of the drivers of attrition. This data is important and provides valuable insights, but it must be used with caution because response rates are often low and the candor of the responses is often questionable because departing employees may not feel comfortable providing honest reasons for their departure.

When exit data is candid and relatively complete, it can be very valuable. For example, the Patent and Trademark Office (PTO) has data that shows that in fiscal 2009, the major reason for leaving given by exit survey respondents was “the nature of your work.” Specifically, PTO’s production goals were cited as an aspect of the work environment that affected employees’ decision to leave. The repetitive nature of the work also was frequently mentioned. Only about one-third of survey respondents felt they were doing the kind of work they expected they would be doing when they were hired.

**EMPLOYEE FEEDBACK DATA IS A VALUABLE SUPPLEMENT TO EXIT DATA**

A second valuable but infrequently used data source is employee feedback surveys, specifically OPM’s annual Federal Employee Viewpoint Survey. This survey asks employees whether they are considering leaving in the next year and why (to retire, change jobs or other).

Studying the responses of those who say they are planning to leave provides a unique window into why people feel the way they do. For example, our analysis of government-wide data shows that those who are considering leaving their agencies within the next year are much more likely to disagree with the statement, “My talents are used well in the workplace,” than are those who say they are planning to stay at their jobs. Those who say they are considering leaving also are considerably more likely to disagree with the idea that their “work gives [them] a feeling of accomplishment.” They are less likely to be satisfied with the recognition they receive and are less likely to say they like the work they do.

In table 3 below, we provide an example of gaps in responses that can be seen between respondents. An agency finding this kind of pattern might decide that they want to work with employee groups to develop ways to improve performance recognition and make sure that awards programs are meaningful and effective. They might also decide to examine how tasks are assigned to employees by supervisors and whether training and development programs can be strengthened.

These sources—employee feedback data and exit data—can provide meaningful and actionable information about why people leave. As one Government Accountability Office (GAO) official said, “Attrition data doesn’t say everything; it needs to be coupled with more in-depth information from other sources. People leave for a variety of reasons, sometimes not controllable, but we want to know what kind of issues are factors so we can help prevent attrition.”

**Table 3** Employee feedback survey analysis for a sample agency

Survey question	Percent that answered positively		Gap
	Of those who indicated that they are planning to STAY	Of those who indicated that they are planning to LEAVE	
My workload is reasonable.	67.9	45.8	22.1
How good a job do you feel is being done by your immediate supervisor/team leader?	72.2	45.5	26.7
I am given a real opportunity to improve my skills.	69.2	36.2	33.0
My performance appraisal is a fair reflection of my performance.	53.8	36.7	17.1
My talents are used well in the workplace.	67.8	34.7	33.1

Source: Fiscal 2008 Federal Human Capital Survey.

## UNDERSTANDING ATTRITION AT YOUR AGENCY A STEP-BY-STEP APPROACH

When agencies understand who is leaving and why, they can determine which groups of employees are “attrition risks.” Sometimes this is a matter of putting numbers and reasons around what everyone thinks they already know (e.g., all the engineers are being hired away by private industry). At other times, it is a matter of discovering what is really going on (e.g., the engineers who are leaving are the newest hires and they are dissatisfied because they primarily manage contractors instead of using their engineering skills). The last thing an agency wants is for their high performers or employees with mission-critical skills to leave. Thus, analysis of attrition at the agency level enables leaders to understand what is going on, to prepare for anticipated attrition and to address the reasons for unwanted employee turnover.

To help agencies do this, we researched how attrition is studied in the private sector and at federal agencies by focusing on best practices at four agencies that have relatively sophisticated approaches—IRS, GAO, TSA and the National Security Agency (NSA). We also examined the start-up challenges from the National Resources Conservation Service at the Department of Agriculture, an agency just beginning to systematically collect exit data and analyze attrition.

The steps we present below reflect what we learned. We shared our approach with several agencies to ensure that it is relevant and useful. Additional details can be found Appendix A.

### THE ATTRITION ANALYSIS PROTOCOL

Our protocol has three major analytic parts:

#### 1 Who is leaving

Using agency-specific data taken from its HR information system, its payroll systems, the Central Personnel Data File, FedScope or another source the agency trusts, this step involves profiling and analyzing the characteristics of departing employees. The factors to analyze include:

- Subcomponents within a department, as appropriate. For example, at the Department of Homeland Security (DHS), this means analyzing “legacy” agencies or sub-agencies individually, such as TSA, Im-

migration and Customs Enforcement or the Coast Guard.

- Tenure of employment or grade, which is studying groups of employees based on their length of time at the agency or grade. This includes new hires (with the agency less than two years); employees with two to five years of service; those with five years or more of service; and those who have retired.
- Mission-critical occupations in departments or sub-components, such as Transportation Security Officers at TSA.
- Retirement eligibility within one year and within five years.
- Diversity, including race, gender and other relevant characteristics.
- Location, if appropriate, to identify differences between headquarters and regional locations and any impact of different environments or geography.
- Performance rating, when available.

Although the major demographic and descriptive factors will vary between departments and agencies, we recommend beginning by analyzing tenure and mission-critical occupations within the subcomponents of a larger department. These seven factors are a starting point, and can provide insight into agency attrition.

These elements focus on the three primary areas of concern we identified in our government-wide analysis of attrition—attrition of the recently hired, of those approaching and/or eligible to retire and of those in mission-critical occupations.

When this is completed, workforce planners and analysts will have identified groups of employees with already high attrition or who appear to be at elevated risk of leaving. These groups warrant further assessment.

---

## IN FOCUS AGENCY BEST PRACTICES

Agencies should “slice” attrition data in several ways as they analyze it—depending on the needs of the agency and data availability—to get at what is important and where problems or risks lurk.

### NSA: STUDYING INTERNAL TRANSFERS

While employee attrition generally refers to employees who leave an agency, NSA also studies internal transfers. Internal transfer statistics are tracked in order to reveal where people are moving across the agency and to ensure that this flow is consistent with organizational needs and does not indicate a problem at a particular unit. Transferring employees are surveyed like other exiting employees and the surveys are analyzed to determine why people are moving between various units.

### GAO: STUDYING HIGH PERFORMING EMPLOYEES

GAO wants to know who is leaving by age, band and performance rating, and the reason why. To better gauge the impact of attrition on the agency, GAO’s Human Capital Office reports the attrition rates of high performing employees, among other groups.

### IRS: STUDYING NEW HIRES

Concerned about the age and experience distribution of its workforce, IRS analyzes and reports to senior agency managers the attrition of new hires during their first, second and third years of employment. IRS tracks new hire satisfaction via a new hire survey that collects feedback on recruiting and onboarding processes. It also provides feedback to managers on their success in socializing and acculturating new employees. Providing such real time data allows the immediate correction of “pain areas” in the recruiting and hiring process.

## 2 Why people are leaving

Information that helps agencies understand attitudes and behaviors of departing employees comes from answers to selected questions in the Federal Employee Viewpoint Survey or from exit data such as interview or survey results. Answers to specific Federal Employee Viewpoint Survey questions can directly inform retention strategies. For example, analysis of “yes” answers to the question, “Are you considering leaving your organization within the next year and if so, why?” can reveal areas and magnitude of dissatisfaction for at-risk groups.

Data from exit interviews or exit surveys can provide direct answers to the “why they are leaving” question. Although exit data typically is limited in terms of the candor of responses and the response rate, it is an important information source because the information comes directly from those who actually have left or are leaving and reflects their opinions and reasons at that time.

Taken together, employee survey feedback and exit data enable analysts to better determine why certain groups of employees are leaving or may leave.

## 3 The impact of external factors and taking action

The last activity when determining which groups are at-risk is to consider the impact of external factors on why people leave an agency. Although relevant external factors may vary from agency to agency, generally agencies should consider:

- The state of the economy, which can be an especially powerful external factor for certain jobs.
- Scarcity of specific skills and knowledge of an employee group or mission-critical occupation in the national or regional workforce, which can lead to federal attrition as private sector employers lure away people with desired skills.
- Geographic location, which can make a job less or more difficult to fill. For example, a popular metropolitan location might be more attractive to some younger new employees. Conversely, an isolated rural location might make it difficult to attract talent in certain occupations.
- Proposed budget cuts or loss of congressional support for a specific agency program or service.

Agency leaders should incorporate these external factors into the broader attrition analysis and use the results to develop action plans. These action plans focus on problems that prompt new hires, employees in mission-critical jobs, high performers, senior leaders and other talented employees to leave the agency.

## CONCLUSION

Attrition is a fact of life for all organizations. On the positive side, attrition creates promotion opportunities for talented employees and ways for agencies to add new skills and competencies to the workforce, and weeds out poor performers. On the negative side, the loss of experienced employees can impair an agency's capacity and performance. The bottom line, however, is that if agencies don't study and understand attrition, they can't take effective steps to fend off unwanted or unpredicted loss of talent. Thus, federal agencies should invest in attrition analysis to find out who is leaving their organizations and why they are leaving.

Senior leaders can use attrition data in workforce planning and to develop mitigation strategies. Human resources professionals can educate unit heads about the importance of understanding who is leaving and why and how using this information can contribute to the health and success of their units and to the agency as a whole. Managers can use the data to take steps to improve the work environment, supervision and other factors that contribute to unwanted attrition.

## APPENDIX A THE ATTRITION ANALYSIS PROTOCOL

The Attrition Analysis Protocol below summarizes the analytic steps to understand the “who” and the “why” of an agency’s attrition as a means of developing retention strategies and for other workforce planning purposes.

During our study, we met with several agencies that routinely do all or almost all of the steps in this protocol. The Government Accountability Office, the Transportation Security Administration within the Department of Homeland Security, the National Security Agency, and to a somewhat lesser extent, the Internal Revenue Service, have each been conducting sophisticated attrition analyses for a number of years. In several instances,

these agencies have developed complex models that enable them to predict attrition as well as to monitor, track and understand it. We learned a great deal from these agencies, as well as from the National Conservation Service of the Department of Agriculture, which is in an earlier stage of collecting and analyzing attrition and exit data. Many of the practices and experiences of these agencies are reflected in the protocol.

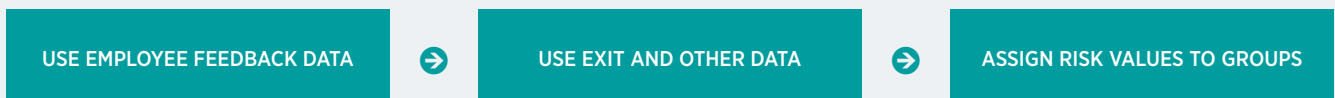
A second report by the Partnership and Booz Allen Hamilton will focus on retention—looking at why people stay and what strategies to follow to maintain a stable, high-performing workforce.

**Figure 4** Attrition analysis protocol

### 1 UNDERSTAND WHO IS LEAVING



### 2 UNDERSTAND WHY THEY ARE LEAVING



### 3 CONSIDER EXTERNAL FACTORS AND DEVELOP RETENTION STRATEGIES





## 1 WHO IS LEAVING

To understand who is leaving, there are three analytic steps to follow. The results will pinpoint which groups of employees are at-risk. For our purposes, we assume the agency uses data from its human resources information system, but other data sources may be preferable, if available.<sup>15</sup>

**Step 1** is to create workforce profiles to identify the general characteristics of an agency. In many, if not most, agencies and departments, this kind of workforce profile is developed annually as part of workforce planning and is generally used to develop estimates and projections as a basis for budget requests for upcoming fiscal years. This basic workforce profile provides the baseline for understanding and analyzing attrition data.

Although workforce profiles can be very detailed, in our example we limit the profile to a few demographic characteristics most relevant to attrition.

### SAMPLE Workforce profile

Number of employees	
Average length of service	
<2 years	
2 – 4 years	
>5 years	
Average age	
Eligible to retire now	
Eligible to retire in 5 years	
Minorities	
Women	
Supervisors/managers	
Average pay grade	

These profiles initially provide an overall snapshot of an entire department or agency, but the most useful information comes from analyzing the data at more detailed

<sup>15</sup> Attrition analysis can be done using existing data sources, including the Central Personnel Data File that is updated monthly. An automated information system containing individual records for most federal employees, CPDF can be a helpful starting place. The data provides information about voluntary and involuntary separations as well as additional demographic information about employees. A similar source available to the public is FedScope. Another major data source is agency payroll data. Agencies experienced in attrition analysis often use payroll data to determine which employees have left in a given period of time because this detailed data can allow an agency to build a very precise database of information about employee movements into, out of, and within their agency.

levels. For example, analysts should create profiles that compare the workforce composition of subcomponents to the department and to each other, such as of the FBI within the Department of Justice or the U.S. Mint within the Department of the Treasury. Another valuable slice of data is to study employees in mission-critical occupations to learn more about their average length of service, racial/ethnic background or retirement eligibility. The same analysis can also be completed for entry-level hires, minorities, senior executives, those with the highest performance ratings, and other important employee groups.

The workforce composition profiles should raise questions to be answered in subsequent steps of the attrition analysis, such as:

- Of the number of employees eligible to retire now and in five years, how many will likely retire? How many actually retired in the past year?
- What is the attrition rate of entry-level hires? Is this an area of concern?

**Step 2** is to develop attrition profiles. This step begins the process of digging deeper into agency-wide data. Employee attrition is multi-layered and attrition data can lend itself to various levels of analysis.

### SAMPLE Attrition profile

Overall attrition rate <i>Percent of the full-time permanent employees who left the agency for any reason</i>	
Voluntary separations overall and by subcomponent <i>Percent of full-time permanent employees who voluntarily left or resigned from the agency or the government excluding retirements</i>	
Mission-critical attrition rate overall and by mission-critical occupation <i>Percent of full-time permanent employees in positions designated as mission-critical who voluntarily left or resigned from the agency during the fiscal year, including retirements</i>	
Attrition rate of employees by tenure—less than two years of service and other years-of-service categories—and by grade <i>Percent of employees by grade and with less than two years of service who left the agency for any reason</i>	
Retirement eligibility and actual retirement rate <i>Percent of eligible employees who actually retired</i>	
Diversity of employees leaving by gender, ethnic or racial categories, or other characteristics of interest	
Voluntary attrition rates by location or subunit <i>Percent of full-time permanent employees who voluntarily left or resigned from the office or field location during the fiscal year</i>	



**Aggregated analysis**

For a basic analysis, the first sub-step is to analyze agency-wide characteristics of employees who left the organization. This aggregated analysis is roughly the equivalent of developing an agency-wide workforce profile as in Step 1 above, but this time it is targeted to those who departed the agency. Human resources systems and other data sources will provide information on:

- Overall attrition;
- Voluntary separations, including inter-agency transfers, resignations and retirements; and
- Percentage of employees eligible to retire who actually retired.

**Targeted analysis**

An aggregated department-wide or agency-wide snapshot of attrition data, while a critical starting point, does not provide enough information to understand whether attrition problems exist. Therefore, as shown in the sample attrition profile, analysts should break down and study overall attrition and the percentage of employees who retired by major sub-elements:

- Subcomponent
- Mission-critical occupations
- Tenure and grade
- Retirement eligibility
- Diversity
- Location
- Performance rating

The targeted analysis should answer the key question: Is there an attrition problem in one or more of the sub-elements? This analysis is integral to identifying whether and where attrition problems actually exist and to go beyond anecdotes to pinpoint problem groups of employees or organizational units. The attrition could be part of a historical pattern that is not a cause for concern or above average and signal that there is a problem.

**Step 3** is to target any at-risk groups and assign a risk value to each one. This analysis is very similar to Step 2, using the same set of seven factors—subcomponent, mission-critical occupations, tenure and grade, retirement eligibility, diversity, location and performance rating. For example, in an agency where a significant percentage of employees in mission-critical occupations are leaving annually and even more will be eligible to retire in five years, further analysis can be done to determine:

- Which subcomponents or offices are losing these employees? Is this a problem within a particular unit or office or bureau or across the organization?
- Is it unusual or consistent with a longstanding pattern?
- What are additional factors affecting potential attrition within specific mission-critical occupations, including career paths and competition from the private sector?

When looking at these data points, the agency will need to answer the following questions to determine next steps:

- Do the data raise any red flags or potential areas of concern?
- What additional information is needed to further pinpoint who is leaving?

Therefore analysts should assign a risk rating to the groups of employees that have been identified as meriting further study. In conducting this assessment, it should not be assumed that high attrition is necessarily bad and low attrition is necessarily good. Specific agency and occupational challenges are among the issues that help determine the appropriate workforce composition. Reaching that judgment is best done systematically.

If a group is identified as having a high attrition rate with a risk rating of medium or higher, then that group should be studied further to understand why those employees are leaving. If the risk level for a group of interest is low, agency analysts should consider whether there is a reason to further analyze that group or to focus attention elsewhere.

**ASSIGNING A RISK RATING TO TARGETED GROUPS**

Agencies should consider at least two factors in deciding on the risk level associated with attrition of a particular group:

- Size of the “pipeline” of talent available to take the place of departing employees
- Actual percentage of employees in this group that retired or left in recent years

Here are examples:

- If the number of positions is large and the percentage of employees leaving that group is more than 15 percent, the risk could be rated as at least medium or high. If an agency of 50,000 employees loses 10,000 employees in that group in a year, the risk would be considered high because of the cost to the agency to hire and retrain so many employees.
- If the number of positions is small but the positions are important and the attrition rate is high, the risk could be rated as at least medium or high. If an agency only has 100 such positions and

they are mission-critical, and the attrition percentage is high (say, 30 percent), then a loss of 30 percent of employees in one year in such a group could seriously hamper the ability to get the work done and prompt a rating of high risk.

- If the “pipeline” is limited and the attrition rate is high, then the rating would be medium or high risk.
- If the retirement risk is high and the pipeline has a large percentage of new and early-career hires, attrition of large numbers of retirement-eligible employees might not trigger a high rating but rather be a medium risk.

## 2 WHY PEOPLE ARE LEAVING

Once a group of employees is identified as being at medium or high risk for attrition, the next step is to study and understand why members of that group are leaving or might leave. This aspect of attrition analysis is less frequently performed, but vital to understanding steps that can be taken to address or reduce that attrition. This part of the analysis also has three steps:

**Step 1** is to use employee feedback data. The Office of Personnel Management’s annual Federal Employee Viewpoint Survey allows current federal employees to answer questions about their satisfaction with work they do, their leaders and supervisors and many aspects of their working environment. The majority of the behavioral and opinion questions have remained constant since the survey was first developed, providing important opportunities to analyze trends over time.

One survey question is particularly relevant for analyzing why employees leave or more precisely, the opinions and views of employees who say they are considering leaving in the next year. That question is: “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

Comparing the responses of employees who say they are not considering leaving to those who say they are considering leaving in the next year can help an agency understand why employees in the latter group may be disaffected. Support for analyzing gaps between those planning to stay and those planning to leave comes from the 1990 Merit Systems Protection Board (MSPB) report, *Why Are Employees Leaving the Federal Government*, which resulted from a multi-agency exit survey

of recently-departed employees. MSPB found that as a group, those who resigned “tended to be much less satisfied with their jobs than their counterparts who remained in the federal workforce.”<sup>16</sup>

A word of caution is important here. The percentage of surveyed employees who respond that they are considering leaving in the next year averages roughly 25 to 30 percent of the responding government-wide workforce. However, actual government-wide attrition, including retirements, is historically seven to eight percent. This 15 to 20 percent difference means that responses to the feedback survey cannot be taken as a direct prediction of turnover, of concern or disaffection among those who say they are considering leaving. However, to the extent this data can be analyzed, those results may be useful in identifying major concerns that could be addressed with thoughtful actions by agencies.

Using classification analyses, we identified 18 questions from the viewpoint survey that are most relevant to employees who said they were considering leaving their agency within the next year. We grouped these 18 questions into the four quadrants of the work environment framework presented earlier.<sup>17</sup> Each of these categories combines several workplace “dimensions” in the Partnership’s *Best Places to Work in the Federal Government* analysis.<sup>18</sup>

To the extent the data are available, analysts should separate out the group they are studying and run the data to separate those saying they plan to stay at the agency from those who say they are considering leaving within the next year.

Next, they should analyze the responses for the two groups on the key Federal Employee Viewpoint Survey questions. Although it is logical to expect that employ-

16 Note that the Merit Systems Protection Board also recommends analyzing the responses of retirees separately from employees leaving for other reasons because of the large differences in satisfaction between these groups.

17 As referenced earlier, parts of the work environment framework overlap with *the Human Capital Assessment and Accountability Framework* (HCAAF) developed by OPM. The HCAAF maps and measures human capital systems at the macro level while the work environment framework maps human capital at the micro level and from an employee’s experience.

18 The measurement model for *Best Places to Work*, created in 2003 by our partner, CFI Group, relates to employee satisfaction. CFI used structural equation modeling to determine the clusters of questions included in each workplace dimension. (CFI Group uses the same methodology for the highly regarded American Consumer Satisfaction Index (ACSI).) There is overlap between the *Best Places to Work* satisfaction model and our analysis categories. For example, leadership is a category in both models.

**Table 4** Categories of key Federal Employee Viewpoint Survey questions

Categories	Key Federal Employee Viewpoint Survey Questions (2010)
Teamwork, Supervision and Leadership	<p><b>Q20</b> The people I work with cooperate to get the job done.</p> <p><b>Q51</b> I have trust and confidence in my supervisor.</p> <p><b>Q52</b> Overall, how good a job do you feel is being done by your immediate supervisor/team leader?</p> <p><b>Q28</b> How would you rate the overall quality of work done by your work group?</p> <p><b>Q61</b> I have a high level of respect for my organization’s senior leaders.</p> <p><b>Q64</b> How satisfied are you with the information you receive from management on what’s going on in your organization?</p>
Agency Mission and Employee Skills Match	<p><b>Q04</b> My work gives me a feeling of personal accomplishment.</p> <p><b>Q05</b> I like the kind of work I do.</p> <p><b>Q11</b> My talents are used well in the workplace.</p> <p><b>Q40</b> I recommend my organization as a good place to work.</p>
Employee Development and Support	<p><b>Q01</b> I am given a real opportunity to improve my skills in my organization.</p> <p><b>Q47</b> Supervisors/team leaders in my work unit support employee development.</p> <p><b>Q55</b> Managers/supervisors/team leaders work well with employees of different backgrounds.</p>
Performance Management, Work/Life Balance, and Pay and Benefits	<p><b>Q10</b> My workload is reasonable.</p> <p><b>Q15</b> My performance appraisal is a fair reflection of my performance.</p> <p><b>Q42</b> My supervisor supports my need to balance work and other life issues.</p> <p><b>Q65</b> How satisfied are you with the recognition you receive for doing a good job?</p> <p><b>Q67</b> How satisfied are you with your opportunity to get a better job in your organization?</p>

ees who say they are considering leaving the agency would be less satisfied than those who say they are not considering leaving, the gap between the responses can show the areas of greatest dissatisfaction. If both groups answer negatively to a question, it can reveal a problem. If respondents who plan to leave answer the question much more negatively than those who plan to stay, this reveals an area of concern that could be driving attrition and where there is the most potential for improvement and adoption of a retention strategy.

To provide a real life example of the utility of this kind of gap information between those intending to stay and those saying they plan to leave, we analyzed TSA’s employee feedback data for 2008.

**IDENTIFYING WHERE TO FOCUS RETENTION EFFORTS**

Analysis of 2008 Federal Human Capital Survey data provided insight into the reasons why employees at the Transportation Security Administration (TSA) might consider staying or leaving their job in the next year, which can form the basis for selecting techniques to help retain these employees.

- Using the 2008 data, separate TSA data into those saying they plan to stay and those who say they are considering leaving within the next year.
- Rank the 18 relevant survey questions to show the top drivers of intent to stay or leave. Using TSA data, four questions topped the list as drivers for intent to stay or considering leaving TSA:
  - The people I work with cooperate to get the job done.
  - Rate the overall quality of work done by work group.
  - I like the kind of work I do.
  - My work gives me a feeling of personal accomplishment.

The first two questions align with our Workplace Environment Framework quadrant, “Teamwork, Supervision and Leadership,” and the last two questions align with the quadrant “Agency Mission and Employee Skill Match.”

- Calculate the gap between those who plan to stay or to leave to identify where the largest disconnects between those staying and those leaving might exist. At TSA, some gaps between respondents who plan to stay or leave were large.

There was at least a 30 point difference in each of the following three responses:

- I recommend my organization as a good place to work. (36.2 percent gap)
- My work gives me a feeling of personal accomplishment.(31.4 percent gap)
- My talents are used well in the workplace. (31.3 percent gap)

These three questions all align with the category, “Agency Mission and Employee Skill Match,” identifying an area of potentially important dissatisfaction related to why current employees might consider leaving TSA.

- The information gathered through this process now can be used to identify major areas of focus for implementing retention strategies to keep valued employees. At TSA, agency leaders could consider using retention strategies that focus on addressing the significant gap between those staying and those leaving in the “Agency Mission and Employee Skill Match” quadrant.

**Step 2** requires using exit and other data. While the employee survey data from OPM is useful to understand the views of workers who say they are leaving, exit data can add to attrition analysis by providing information from those who actually leave. Despite its potential limitations, exit data can help provide insight into why employees are leaving and where they are going. This can help an agency decide what it should do to reduce unwanted attrition. Subsequent exit data collection can

verify how effective these actions are. GAO and IRS are two agencies that use exit data in this way.

Most commonly, exit data is collected via online surveys, paper-based surveys or live interviews in person or on the phone. Maintaining confidentiality and anonymity of exit data is often a primary concern, especially to encourage exiting employees to both participate and provide honest feedback. Because this information is from employees who are actually leaving, the data can help pinpoint internal vulnerabilities, provide information on the skills of individual managers and provide feedback about job and workplace conditions.<sup>19</sup> Through exit data, an agency can learn:<sup>20</sup>

- The root causes of employee turnover;
- Preventive or corrective actions to address problematic work conditions;
- Where employees are going after leaving the agency;
- The effectiveness of current workplace improvement strategies;
- Employees' views on organizational performance; and
- Employees' insights on agency culture and climate.

In addition to deciding how and when to collect exit data, agencies must determine what questions to ask. We identified several categories of questions to consider regardless of the collection medium being used. Based on an agency's objectives in collecting exit data, the agency should select the most applicable question categories and then the specific questions to fit in those categories. The categories are:

- **Cause of departure (why are employees going?)**
  - Compensation and advancement issues
  - Work/life balance
  - Job duties/responsibilities
  - Organizational and management issues
  - Personal reasons
- **Where are employees going?**
- **What are the characteristics of the employees who are leaving?**
- **Overall agency experience**
  - Needed agency improvements

- Engagement
- Culture/socialization
- Hiring and on-boarding

One option when deciding which categories and individual questions to use on an exit data collection instrument is to overlap the exit survey questions with a few selected questions from the Federal Employee Viewpoint Survey. Collecting data on the same questions from employees who are planning to leave and those who actually leave can enrich the agency's understanding and help discern whether the survey data can be used to predict who will depart.

Exit data can also help agencies improve how they target retention strategies. For example, if exit data reveal that engineers are leaving in part because they do not feel they are able to stay current with the latest developments in their field, and if the viewpoint survey data show that engineers do not feel that "supervisors/team leaders in [their] work unit support employee development" (question 47), managers may take steps to upgrade training and development for their engineers as a way to try to stem attrition.

#### **Other Data Sources**

Some agencies can tap additional data sources that provide insights into why employees or groups of employees leave. Among these potential sources are:

- Additional periodic, targeted employee feedback surveys (e.g., pulse surveys);
- Information or input from employee groups (such as Blacks in Government or agency veterans groups);
- Focus group data on selected topics;
- New hire data surveys; and
- Equal Employment Opportunity data, such as reports or summaries of complaints submitted.

Each source can provide valuable additional information to diagnose current or potential problems that might contribute to or be precursors of attrition. Used together, relevant data from different sources can lead to action plans to fix the problems and keep valued employees. For example, NSA solicits data from its employees throughout their employee career cycle. The picture of the current workforce is enhanced by systematically surveying both new hires and their managers six months after hire, current employees using employee climate surveys and exiting or transferring employees using an exit survey. Findings from these activities are combined in organizational pulse reports.

<sup>19</sup> *The Advantages of Exit Interviews*. HR Outsourcing Article. AON Consulting Forum. September 2003.

<sup>20</sup> *Exit Interview Processes*. Fact Brief. Corporate Leadership Council. September 2003.



When exit data are analyzed for a particular group, problem areas can be aligned roughly within the four categories we identified. For example, new hires who have left may have expressed on their exit questionnaire or in their employee viewpoint survey responses that they do not see opportunities for advancement and that they are concerned about work/life balance. These issues fall into our Performance, Work/Life, Pay and Benefits category. On the other hand, employees in the information technology field across the agency may be concerned about staying on the cutting edge of their field as well as with the nature of the work they are doing, thus relating to our Employee Development area.

Analysis of gaps in the government’s employee viewpoint survey responses between those leaving and those staying, coupled with exit data analysis, contribute to a risk rating for “why people leave.” Significant problem areas reveal attrition risks as well as areas to focus efforts to stave off that attrition.

**Step 3** is to again assess the attrition risk of specific types or groups of employees that are leaving. It may be useful to categorize risk as high, medium, or low.

### 3 THE IMPACT OF EXTERNAL FACTORS AND TAKING ACTION

It is critical to consider external factors and make a final determination of whether the attrition of a segment of employees demands the implementation of attrition mitigation strategies. There are three steps needed to accomplish this task.

**Step 1** is to determine the impact of external factors. External factors such as the strength of the economy, scarcity of experienced or knowledgeable employees in a mission-critical occupation, the intensity of competition for talent with these skills and job location can have a strong or a weak impact on attrition risk.

The economy is typically a strong factor, but it can vary substantially by geographic location. Competition may still be high in one location while it is low elsewhere. For example, the Washington, D.C. area is sometimes thought to be recession-proof and hence competition for people with selected skills and experience (e.g., cybersecurity) may continue unabated even as other parts of the country face high unemployment rates. The economy can affect attrition of all groups. The reduced attrition of all federal employees in fiscal 2009, including those currently eligible to retire, is a good example.

Likewise, during the “dot-com era,” competition for information technology professionals was very high, driving up attrition in that federal mission-critical occupation. And the current high demand in both the private and public sectors for professionals with cybersecurity and advanced information technology skills should be considered when assessing the risk of losing this kind of talent.

**Step 2** is to finalize the identification of at-risk groups. After considering external factors, an Attrition Risk Matrix can be completed for each group that has been under study.

These risk ratings generally provide agency leaders with an indication of the potential significance or impact of attrition of a particular category of employee and can suggest the level of response to the attrition problem.

#### SAMPLE Attrition risk matrix

Attrition analysis protocol step	Group	Risk rating and rationale (low, medium, high)
Understand who is leaving		
Understand why they are leaving		
Assess the impact of external factors		

**Step 3** is to use the results to develop and implement retention strategies for the target groups. Earlier we discussed that the data from attrition analyses can have many uses, such as in budgeting, recruiting, training and workforce planning decisions. TSA, GAO and NSA are good examples of agencies that use the results of their attrition analyses in many aspects of agency operations.

Attrition analysis is particularly useful to help agency leaders formulate retention strategies. Answers to the question of why a specific set of employees is leaving may point to certain types of retention techniques. In our companion report on retention, we present a framework that can be used in considering retention techniques to help address selected attrition problems.

## APPENDIX B METHODOLOGY AND ACKNOWLEDGEMENTS

### METHODOLOGY

---

The term attrition is often used interchangeably with other terms such as turnover and employee loss. To clarify what we mean by attrition for this study, we turned to Griffeth and Horn’s “turnover classification scheme” which makes distinctions between different forms of employee turnover.<sup>21</sup> The first distinction is between voluntary (initiated by the employee) and involuntary (initiated by the organization) turnover. Voluntary turnover is further broken down into functional (no detrimental effect on the agency) and dysfunctional (harmful to the agency) turnover. Finally, dysfunctional turnover is further divided into unavoidable and avoidable turnover. Unavoidable turnover is when the agency has no control or ability to affect the turnover. Avoidable stems from causes that the agency may be able to control and influence. In this study, we are focusing on voluntary, dysfunctional and avoidable turnover which the organization has the ability, in theory, to influence.

The goal of this study is to provide an analytic framework for federal agencies to understand employee attrition—who leaves and why. To this end, we present an attrition analysis protocol that can be used and the individual steps agencies should take to analyze existing attrition and employee feedback data. One major objective—addressed more fully in a companion report to this one—is to help agencies develop and implement retention techniques and strategies that will enable them to prepare for and possibly head off unwanted attrition. In the companion report, we present the steps agencies should take to select and implement appropriate retention strategies given the groups of employees who are leaving that they wish would stay.

To achieve this goal, the Partnership for Public Service and Booz Allen Hamilton gathered and analyzed data from a number of sources. We performed an extensive literature review of private and public attrition information which documented current attrition analysis capabilities in both large Fortune 500 organizations and specific federal agencies. We interviewed individuals in five agencies, focusing on current attrition issues, data sources used for attrition analyses, data analysis practices and challenges, use of the attrition analysis,

exit data collection, retention strategies and overall best practices. The information from these interviews was compared to government-wide patterns as well as agency-specific data. We analyzed data from the Central Personnel Data File (from fiscal 2002, 2003, 2004, 2006, 2007 and 2008) and FedScope (fiscal 2008 and 2009). We analyzed Federal Human Capital Survey data, primarily from 2008.

Further, our team conducted four focus groups—two each with line managers and human resources professionals—to learn more about real world attrition challenges. We consolidated best practices from the literature review and interviews by assessing any gaps, vetting for efficacy and ranking according to applicability government-wide. After developing our attrition analysis protocol, we reviewed it with several agency representatives and incorporated their suggestions to ensure that the approach was realistic and useful.

### ACKNOWLEDGEMENTS

---

Special thanks to those from the Partnership and Booz Allen Hamilton who contributed to this report.

#### **Booz Allen Hamilton**

David Mader  
Ron Sanders  
Drew Lopez  
Kimon Choe  
Angela Peat  
Mahreen Rashid  
Sabina Shrestha  
Victor Simonelli

#### **Partnership for Public Service**

Judy England-Joseph  
Sally Jaggar  
Jennifer Carignan  
Sarah Martyn Crowell  
Alice Feldesman, Consulting Analyst  
Christina Francisco  
Bob Lavigna  
Lara Shane  
Erin Simpler  
Max Stier  
Greg Wilmoth, Consulting Analyst

<sup>21</sup> Rodger W. Griffeth, Peter W. Horn, *Retaining Valued Employees*, 2001.

## APPENDIX C PRIMARY PARTICIPATING FEDERAL ORGANIZATIONS

### **Department of Homeland Security**

#### **Transportation Security Administration**

David Tumblin  
Director, Workforce Analysis, Research, and Metrics

Alana Cober

Peter Hand

Tom Weiland

Bill Wright

### **Government Accountability Office**

Cher Whitaker,  
Acting Chief Administrative Officer

Amy Hale

Janice Morrison

Bob Mowbray

### **Department of Agriculture**

#### **Natural Resources Conservation Service**

Denise Cooke,  
Division Director, Human Resource Strategy and Accountability

Marvis Montesano

### **Internal Revenue Service**

#### **Workforce Progression and Management Division**

Division Personnel under the Human Capital Office

### **National Security Agency**

Personnel in the Office of Human Resources



PARTNERSHIP FOR PUBLIC SERVICE

1100 New York Avenue NW  
Suite 1090 EAST  
Washington DC 20005

202 775 9111  
[ourpublicservice.org](http://ourpublicservice.org)

Booz | Allen | Hamilton

13200 Woodland Park Road  
Herndon VA 20171

703 984 1000  
[boozallen.com](http://boozallen.com)