



Retaining My Generation: Retention Strategies for Generation X and Generation Z Federal Employees

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Introduction

In 2021, a [record number](#) of American workers—47 million—quit their jobs, according to data from the U.S. Bureau of Labor Statistics. Historically high levels of voluntary turnover have continued into 2022, with [4.5 million people leaving their job in the month of March alone](#).

The Great Resignation, as this trend is known, is largely a response to the [upheavals of the COVID-19 pandemic](#). Other [economic and workforce factors contributing to this phenomenon](#) include [wage stagnation](#), rising [costs of living](#), baby boomer retirements and evolving expectations of workplaces and careers. Moreover, the future of work is changing as employees who were remote during the pandemic return to the office or elect to stay virtual long term. In 2022, many employees in both the private and federal sector do not have the same workplace expectations, values or patterns as they did before COVID-19.

The federal government must pay attention to the Great Resignation and these changing workplace expectations—especially since it is estimated that nearly [30% of the federal workforce](#) will hit retirement age within the next two years. While federal agencies have not seen record-high turnover in 2020 and 2021 like the private sector did, [roughly 25% of public employees are considering switching jobs](#). Staff retention is a critical factor in the success of federal agencies and their ability to serve the public. Given the record-high attrition rates affecting the national labor force, now is an especially important time for leaders in the executive branch and Congress to consider how federal agencies can better retain high-quality staff to ensure uninterrupted mission delivery and avoid the high costs of hiring, onboarding and training new employees.

In response to this critical need, the Partnership for Public Service, with support from [ServiceNow](#), examined why civil servants leave their agencies or the federal government altogether, and what makes them stay. While employees tend to remain in their jobs for several reasons, such as satisfaction with compensation and office culture, successful retention strategies are not one-size-fits-all and should reflect a variety of factors, including those specific to the position and the individual.

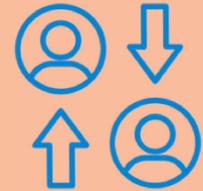
Our study focused on an important and often overlooked factor of employee retention: generational values and expectations. More specifically, we considered the issues centering on the retention of Generation X—born between 1965 and 1980—and Generation Z—born between 1997 and 2012—since public servants in these two

groups are at vital points in their careers and occupy critical positions in the federal workforce.¹ Gen X civil servants are coming into senior roles in greater numbers and are our future federal leaders. Gen Z civil servants, meanwhile, are the future of the federal workforce and represent the next generation of public servants. This research fills gaps in the literature, as studies of millennials and baby boomers far outweigh those of Gen X and Gen Z.

This report explores the most pertinent retention factors for Gen X and Gen Z civil servants, with a specific focus on differences between the two groups. It also provides strategies for keeping them in the federal government, if not within their agencies.

The report’s findings and recommendations are based on an in-depth literature review focused on the general characteristics and more specific work motivations of Gen X and Gen Z employees; a comprehensive analysis of [FedScope](#) data to look at retention trends; interviews with 10 senior leaders of federal agencies and nonprofit organizations that support federal employees; and conversations with more than 20 Gen X and Gen Z civil servants via five focus groups.

TAILORING RETENTION STRATEGIES



To foster retention, federal agencies should develop targeted strategies that engage and empower their staff. While many federal leaders recognize the value of this approach, our research shows that few agencies have developed and implemented tailored retention plans. The Federal Emergency Management Agency is an exception and provides an example of a comprehensive approach to addressing retention. FEMA not only uses the Federal Employee Viewpoint Survey data, exit surveys, focus groups and spot surveys to collect information on the drivers of retention, but it also leverages technology to share the data on accessible digital dashboards and through quarterly presentations to agency leadership. Based on this data, and an analysis of Gen X and Gen Z employee types, FEMA determined the top three reasons Gen X employees left the agency were (1) personal or family-related issues (2) issues with their immediate supervisor and (3) opportunities for advancement in another position. Gen Z employees were more likely to leave due to salary issues or the expiration of an appointment. FEMA is retaining Gen X employees by providing more flexibility and Gen Z employees by making them aware of other opportunities available to them after their limited appointments expire. The agency also uses its data to create and update a retention toolkit stored in a centrally located online platform, which can help all supervisors, managers and leadership retain staff.

¹ While the boundaries of generations are flexible and often debated, this project adhered to the generally accepted parameters of Gen X and Gen Z defined by the Pew Research Center. Pew Research Center, “Defining Generations: Where Millennials End and Generation Z Begins,” January 17, 2019. Retrieved from <https://pewrsr.ch/2D7o5PI>.



Photo Credit: Shutterstock

Retention by the numbers

In 2021, Gen X made up 41.6% of the federal workforce while Gen Z composed just 1.6%.² That same year, Gen X and Gen Z made up 31.6% and 9.1% of the U.S. labor force, respectively.³ This data suggests that Gen X is overrepresented and Gen Z is underrepresented in the federal government relative to the total U.S. labor force. The federal government has long [struggled to recruit](#) younger generations, and this trend has continued with Gen Z.

2021 Federal Employee Composition by Generation

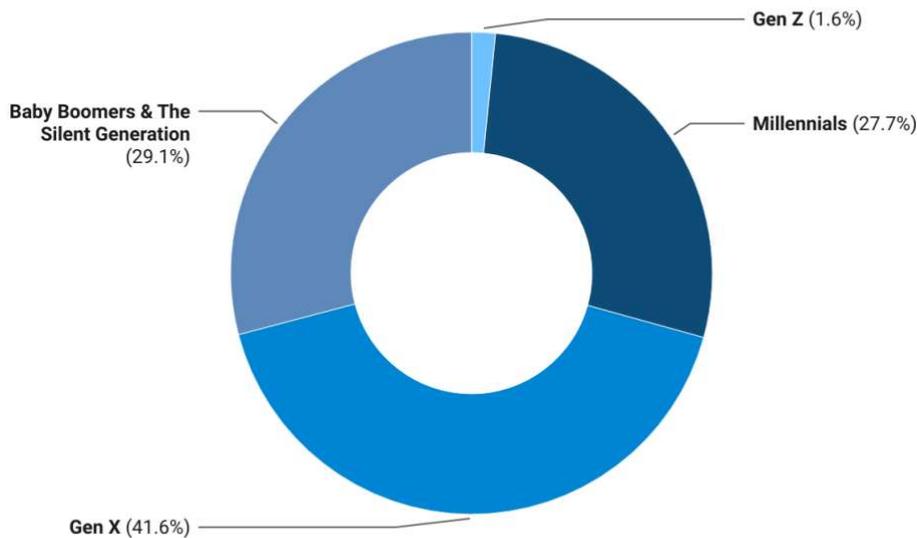


Chart: Partnership for Public Service • Source: FedScope • Created with Datawrapper

² This analysis is based on data available from [FedScope](#), which is OPM’s online database of federal workforce data. Because FedScope presents its data on employees’ ages in five-year increments, this analysis uses ages 40-54 and 20-24 as the proxy ages for Gen X and Gen Z civil servants. According to the [Pew Research Center](#), Gen Xers and Gen Zers in 2022 are 42-57 and 10-25 years old, respectively. All analyses in this section examine turnover rates for only full-time non-seasonal permanent employees.

³ U.S. Bureau of Labor Statistics, “Labor Force Statistics from the Current Population Survey.” Retrieved from <https://bit.ly/3U6Va41>.

A high turnover⁴ rate for Gen Z employees has exacerbated this trend. In 2021, the average turnover rate for all ages in the federal government was 6.7%, but the Gen X rate was only 3.4%. The Gen Z rate, on the other hand, was 12.4%.

Moreover, this is not a new pattern. From 2005 to 2007, Gen X turnover was close to 6%. However, after 2008 the turnover rate dropped to around 3% and has remained there. While the average turnover rate for all ages has stayed near 6%, Gen Z turnover has been over 10%, which is in line with trends⁵ seen for 20-to-24-year-old federal employees since 2005.

Federal Turnover Rate: Quits, Retirements and Terminations

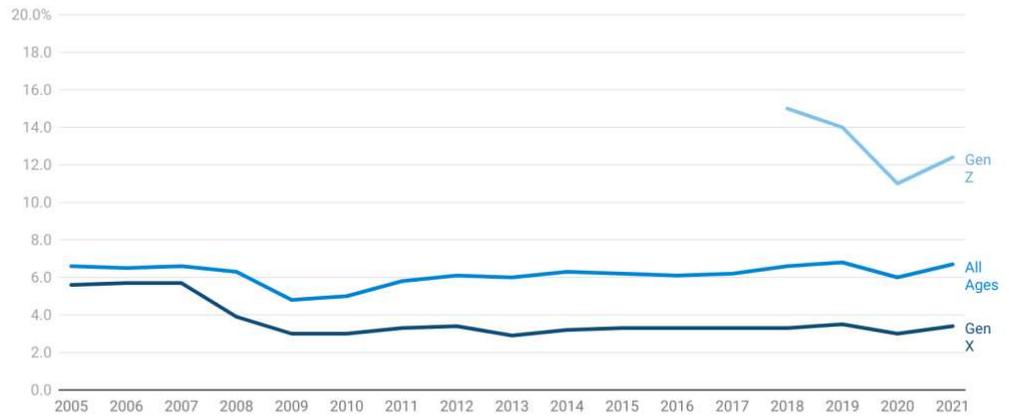
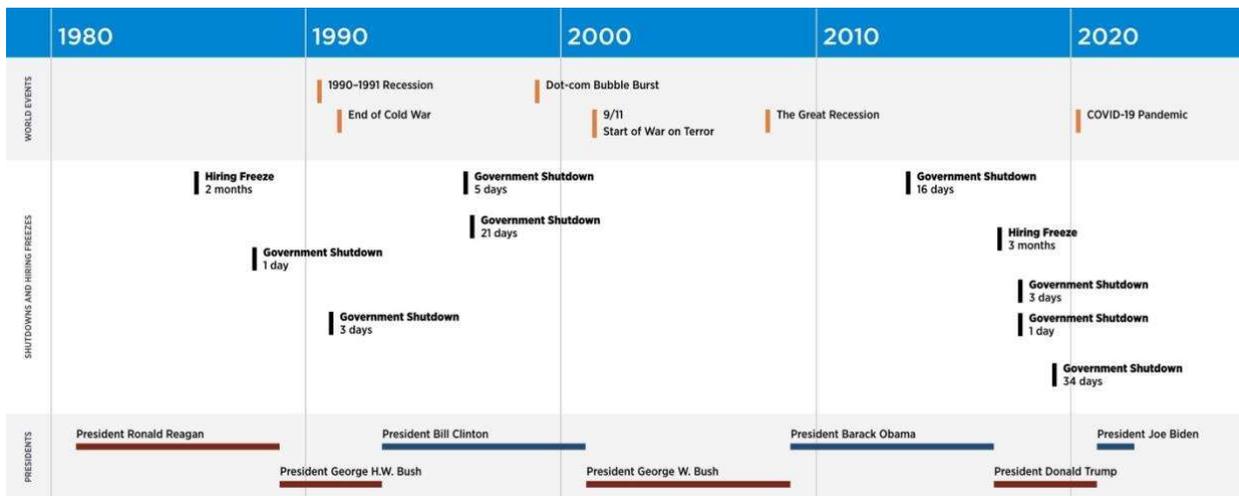


Chart: Partnership for Public Service • Source: FedScope • Created with Datawrapper

A number of factors influence federal employees’ decisions to leave or stay in their positions. For example, as seen in the following charts—one of which shows major economic downturns as well as every government shutdown and hiring freeze since 1985—the 2008 recession correlated with drops in federal turnover, indicating that fewer civil servants left their positions when there were fewer job prospects in the private sector.

Workplace stability can impact employee decisions to leave or stay in the federal workforce. In the past four years, there have been three government [shutdowns](#), which might have affected civil servants’ morale and their commitment to public service. In our focus groups, Gen Z employees indeed expressed concern about coming into government because of recent shutdowns.

Figure 1. Timeline of government shutdowns, hiring freezes, and major economic recessions and world events.



⁴ Turnover in this study is defined as quits, retirements, terminations and removals. Turnover does not include transfers.

⁵ Except for a slight drop in 2009 and 2010.



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Retention factors: Understanding Gen X and Gen Z

Turnover can be impacted by a federal employee's agency, career field, sex, location, race and more. For instance, in 2021, Gen Z civil servants at the Department of Energy had a turnover rate of 5.5%, about half the average for all Gen Z civil servants. Meanwhile, Gen X civil servants at the Department of Commerce had a 1.7% turnover rate, half the overall federal average for Gen X. To uncover similar nuances in employee turnover rates, agencies should track and visualize trends with cutting-edge technology. Using this technology will enable agency leaders to create tailored strategies for retaining a strong, diverse and effective workforce.

This report specifically focuses on Gen X and Gen Z federal employees. While the factors that influence staff retention might vary from person to person, these are the most important reasons why Gen X and Gen Z federal employees remain in government service, according to our research:



Flexible work.



An inclusive, supportive and productive workplace culture.



Financial incentives.



Connection to mission.



Technology.



Facilitated growth.

These and other retention factors are often interconnected, however, and they should not be treated as independent variables. Moreover, the factors highlighted in this report influence Gen X and Gen Z retention in various ways and to different degrees. The following sections discuss these issues in greater detail, focusing on the cohort(s) most affected by each retention factor vis-à-vis their distinct generational characteristics.



FLEXIBLE WORK

Both Gen X and Gen Z federal employees desire flexibility regarding where, when and how they work. Recent reporting shows that [civil servants are increasingly leaving their jobs for other federal positions that allow more remote work](#), and with the widespread adoption of new technology in federal agencies, employees feel as though they can effectively fulfill their job duties in more ways than before. Indeed, flexible work⁶ has become an important driver of retention for civil servants who worked remotely or in a hybrid environment during the pandemic.

GEN X

Gen X employees may desire flexibility regarding where and when they work to support their overall well-being. According to the civil servants who participated in our research, Gen X employees want a work schedule that enables them to address family needs and life changes. Yet some evidence suggests that many workers feel as if they lack this type of arrangement. For example, our [2021 Best Places to Work in the Federal Government](#)[®] rankings show that federal employees between the ages of 40 and 59 perceive their work–life balance more negatively than many other age groups.

As one Gen X employee said, “Many Gen X are in the sandwich position of caring for kids and [elderly] parents.” This concern is in line with recent articles explaining the burden on Gen Xers who care for two generations at once. Another Gen X civil servant spoke to the benefits of flexible work. “I have the flexibility to do my job in a way that works for me. I am working more, but I don’t mind working in the evening because I have a break in the afternoon when I have to pick up my kids. Or there are evenings I don’t work late because I’m a soccer coach. So I’m thankful that I have that [flexibility] through my organization.”

Recommendation: Senior agency leaders, midlevel managers and supervisors should evaluate the feasibility of remote and hybrid work.

While virtual work has recently been commonplace for all non-essential federal employees because of the COVID-19 pandemic, the move from remote work back to the office has generally been at the discretion of individual agencies. Leaders who are in the position of deciding if, how and when employees return to the office must carefully consider the pros and cons, think about messaging and take into account the life circumstances of their employees. Our interview participants reflected that senior officials at some agencies are not sensitive to the concerns and needs of their employees and desire a return to in-person work at pre-pandemic levels.

Interdisciplinary project teams, like one created at the Department of Treasury, can unbiasedly assess which jobs are acceptable for remote work, which need to be done in the office and why. Leaders and interdisciplinary teams should solicit employee input on these topics and set clear expectations on how that feedback will be considered. Leaders also should routinely evaluate the feasibility of remote work to ensure that work environments remain conducive to high levels of productivity and employee engagement over time.

⁶ The Office of Personnel Management has long authorized agencies to offer [alternative work schedules](#), [telework](#) and [remote work possibilities](#) as retention incentives. In this paper, flexible work refers to all these options.

Once an interdisciplinary project team makes its recommendations, leaders should be conscious of the policy changes required to implement flexible work options. Federal leaders need to create new flexible policies for employees while taking into account previous requirements around pay, leave and work schedules, including the core hours when all employees must be working. Leaders might need to consult with internal and external experts to adjust these agencywide policies and accommodate expanded flexible work options. For example, concerns around cybersecurity issues usually can be addressed through collaboration with the chief technology officer and by investing in updated systems. An employee’s bargaining unit could be affected by a shift to or from remote work, so supervisors and leaders may need to consult with HR, their general counsel and the agency’s labor relations staff before changing a staff member’s status.

GEN Z

Many Gen Z federal employees have experienced only remote or hybrid work because they entered the workforce during the pandemic. They expect flexible work and see flexible work options as an indication that their leaders trust and value them. As one Gen Z civil servant put it: “The office used to be the toolbox. Now the office is just another tool in the box. While there might be some benefits to going into the office—like being able to talk to and know your team on a more personal and in-depth level—work can still be done effectively at home.” Leaders who don’t acknowledge the benefits of hybrid work may be seen as inflexible and unwilling to adapt.

Recommendation: If there is a return to office, senior agency leaders, midlevel managers and supervisors should make it highly interactive, meaningful and condensed.

While Gen Z employees are interested in work away from the office, many also want to have meaningful connections in person with their colleagues. Jessica Palatka, the chief human capital officer at Commerce, reflected, “For Gen Z, who has not been in our workplace for 30 years, these moments when they are in the office are incredibly impressionable.” Employees of other generations, including Gen X, might not want or need a high-touch return to the office wherein they are able to form meaningful connections with colleagues or fully take advantage of office-only tools. All employees, regardless of their generation, want to feel as though their time in the office is well-used.

At Commerce headquarters, leaders made an effort to ensure employees’ return-to-office experience was special. For example, the secretary and deputy secretary stationed themselves in the agency’s lobby to welcome employees and set a tone of accessibility. Palatka said an acapella group performed at lunch in the auditorium and food trucks were in the courtyard to help employees bond and have a positive experience.

Leaders who encourage or expect people to work in the office on a regular basis should thoughtfully cultivate a strong employee experience and clearly communicate as well as demonstrate why staff need to be on-site and how they can best use that time.



FINANCIAL INCENTIVES

While financial incentives generally motivate retention in all sectors and among workers of every age, they may not be the strongest way for federal agencies to keep staff since government salaries are usually not competitive

with those for comparable jobs in the private sector.⁷ Moreover, unlike private sector employees, many civil servants pursue a federal career because they are dedicated to public service. The Partnership’s [Public Service Leadership Model](#) is grounded in this unique value and trains leaders to develop skills to contribute to the public good.

Nonetheless, financial incentives including and beyond salaries can encourage staff to stay, and they should be part of agencies’ retention toolkit. For example, receiving full retirement benefits is a strong motivation for many Gen X employees to remain in federal service—especially those nearing the end of their career. Other options, like retention incentives for staff likely to leave federal service, are time-limited and therefore more effective on a short-term basis. (See [Appendix 1](#) for a summary of financial retention incentives available government-wide.)

GEN Z

Members of Gen Z, who [on average had more than \\$18,000 in student debt in 2021](#), are particularly [concerned about financial stability](#). The COVID-19 crisis has contributed to financial anxieties, with some [reports](#) showing that Gen Z’s interest in saving money increased during the pandemic.

The [Public Service Loan Forgiveness Program](#) and the [Federal Student Loan Repayment Program](#) are two financial incentives that may be especially effective with younger civil servants. The PSLF allows the federal government to forgive direct loan borrowers who have worked for 10 years for the federal government—or another qualifying employer, such as a state government or nonprofit organization. The SLRP helps to recruit and retain employees by allowing agency heads to set up their own student loan repayment programs of up to \$10,000 per employee per year and up to a maximum of \$60,000 in total. Federal employees must sign a service agreement that lasts at least three years with participating agencies. Agencies must report SLRP uptake and the cost to Congress. A range of agencies have anecdotally found that [PSLF](#) and [SLRP](#) improved recruitment and retention.

Recommendation: HR leaders and supervisors should provide Gen Z employees with needed technical support to enable civil servants to take advantage of benefits such as the Public Service Loan Forgiveness Program or Federal Student Loan Repayment Program. Senior leaders, meanwhile, can highlight these opportunities for staff.

Many Gen Z federal employees may not know of the student loan relief programs and how to successfully apply for them. In 2021, 30.7% of applications for the PSLF were denied because they were incomplete, indicating that some applicants were unable to navigate the required paperwork.⁸ By holding information sessions, creating online benefit resource hubs, training supervisors and creating panels where staff members can share their experience with these resources, leaders can ensure that staff know how to benefit from resources such as the PSLF and SLRP. Additionally, agencies can set up SLRP programs to provide additional financial support to Gen Z staff.

⁷ According to the most recent report from the Federal Salary Council, an advisory group of the executive branch, federal employees on average make 26.7% less than their private-sector counterparts. Federal Salary Council, “Level of Comparability Payments for January 2021 and Other Matters Pertaining to the Locality Pay Program,” April 2020, 5. Retrieved from <https://bit.ly/3zyetuX>

⁸ Education Data Initiative, “Student Loan Forgiveness Statistics,” January 2022. Retrieved from <https://bit.ly/3RaVg9i>



CONNECTION TO MISSION

Public service is inherently mission-focused—and public servants are too. It is not surprising, then, that the Gen X and Gen Z federal employees we spoke with described their commitment to public service as a major reason why they remain in their jobs.

[Studies](#) show that organizations that align themselves with an employee’s individual values develop a more effective workforce and experience lower turnover. Employees also want to feel as though their specific position contributes to an agency’s mission. Some [research](#) shows that state civil servants who believe their agency or office is effective have higher job satisfaction, which can lead to decreased turnover.

GEN X

“Service is my purpose” was a common refrain among the Gen X civil servants we spoke to for this study. As one explained, “I actually took a pay cut to come into the federal government in my 30s because I wanted to make a difference. A few years ago, I turned down a promotion that would have taken me further from the mission. For me, public service really is about serving. I want to do work that hopefully makes a difference to others, both in my organization and in the country.”

Federal employees working in HR, finance, IT and other mission-support roles may be more likely to feel disconnected from an agency’s mission than staff working in program areas. In 2021, Gen X civil servants made up 43.7% of the mission-support workforce, but just 41.6% of the federal workforce. This imbalance means Gen X civil servants are overrepresented in mission-support fields. Rotational programs—like the Department of Homeland Security’s [Rotational Assignments Program](#)—can help staff in these fields reconnect with their agency’s mission. (See our [recommendation for facilitating staff growth](#) for more information about rotations and similar development programs.)

Some Gen X civil servants expressed concern about deteriorating integrity within the federal government meaning they decreasingly trust that the work they do has value, that the way the work is done is ethical, and that their leaders are well equipped and well intentioned. In our most recent [Best Places to Work®](#) rankings, federal employees between the ages of 40 and 59 had less faith in their senior leadership than Gen Z and employees 60 years old and above did. We heard from focus group participants that Gen X employees want to serve the public in an ethical, sustainable manner. They must feel that their agency has the proper priorities and structures to conduct responsible work, and, to a lesser degree, that the government as a whole can conduct itself with integrity wherein all of the people in the United States can expect fair treatment from the government and private entities. As one Gen X civil servant explained, “Once you have integrity and trust, you’re able to empower people in the organization to do what they do best and to have ownership of the work that they are responsible for, and to contribute in ways that are both meaningful to them and advantageous for the agency.”

GEN Z

Despite its recent emergence, Gen Z has already established a reputation for being [socially conscious and committed to giving back](#). It is not surprising, then, that younger civil servants remain in their jobs more often when they connect to their agency’s mission. However, Gen Zers appear to conceive of government service as

just one of many possible ways to contribute to the public good, making mission focus a less influential retention factor for younger federal employees than for their older colleagues.

Gen Z federal employees reported not only that they value their agency's mission, but also that they want their workplace and specific work responsibilities to closely align with their personal values, such as a commitment to diversity, equity and inclusion. As a result, Gen Z civil servants motivated by altruism may be quicker than older colleagues to leave a federal job if they feel they can serve the public in a different environment that better reflects their beliefs.

"It is really, really important that the work that I do aligns with my own values and morals," explained one Gen Z employee. "If at any time I feel as though the way in which we're going about work or the types of work that we're doing does not align with my own morals, that is a deal breaker for me."

Having grown up with information and high-speed technology at their fingertips, many Gen Z employees might also see the quick adoption of emergent best workplace practices as an aspect of mission fulfillment. Gen Zers who want to improve processes and contribute to new, never-before-done projects can be disappointed when bureaucratic hurdles slow down the pace of change. One Gen Z civil servant, for example, described feeling particularly discouraged when their idea to implement a new recruitment and retention incentive was not adopted due to bureaucratic impediments, even though it was supported by their supervisor and team. Leaders and supervisors who support innovation might be able to build a long-term, committed workforce by pushing back on such impediments.

Recommendation: HR offices, evaluation teams and senior leaders should work together to develop mentoring programs.

Some younger federal employees reported their positive experience with or desire for formal or informal mentoring in the workplace, noting how it can help them better navigate bureaucracy, establish and maintain a sense of mission fulfillment, and avoid burnout. Agency leaders also noted that Gen X federal employees can benefit from mentoring Gen Z civil servants by reflecting on their own experiences in the workforce. The Office of Personnel Management has a compendium of [best practices](#) for developing mentoring programs. An agency's HR office or evaluation team should conduct a needs assessment to determine how a mentoring program would be most helpful to the agency and what kinds of activities and mentors may be most needed. From there, a program manager, with support from agency leaders, should develop a roadmap defining the goals of the mentoring program, as well as key metrics, a participant matching process, training materials and potential development activities.

Senior leaders can help by being advocates and advertisers for the program. The U.S. Patent and Trademark Office has a [toolkit](#) to help agencies get started. According to the civil servants we spoke to, the mentoring component of the [Presidential Management Fellows program](#) is a good example. OPM also has a [list of effective mentoring programs](#) developed by various agencies. Some prompts and discussions can relate specifically to connection to mission and navigating bureaucracy.



AN INCLUSIVE, SUPPORTIVE AND PRODUCTIVE WORKPLACE CULTURE

Organizational culture affects employee decisions to stay in or leave a position or agency. Employees are more likely to remain in their roles when they feel included and valued because they are empowered, listened to and given room to grow. Moreover, studies show that an inclusive environment has stronger impact on decreasing turnover intention⁹ for certain groups, such as [veterans](#) and [LGBTQIA+](#) federal employees, more than others.

Gen X and Gen Z federal employees want an inclusive work environment, according to Tyra Dent, the president of the African American Federal Executives Association. “I think [it’s important] to have employees feel like they are a valued asset to the organization, that their contributions matter, that their perspectives are sought after to further engage their motivation and inspiration to come in and do the work,” she said.

In an environment with remote and hybrid work, leaders may need to be even more deliberate about creating a culture of inclusion. (See our [technology recommendations](#) for tips on how to make a hybrid workplace more inclusive.)

GEN X

Gen X civil servants can feel taken for granted, describing themselves as being “forgotten” or “ignored” by leaders who assume their quiet competence means they do not have innovative ideas or want a seat at the table. Leaders who practice effective two-way communication may better earn the trust and commitment of their Gen X staff than leaders who do not. As one Gen X employee reflected, “[Leaders] will bring [millennials] along to conversations because they’re young and they’re hip. I’m Generation X, so they leave me behind because they know I’ll hold things down and nothing will slip through the cracks if I’m watching the office.”

GEN Z

Many Gen Z civil servants seek flat organizational structures that prioritize collaboration, empathetic leadership and inclusive decision-making processes. Gen Z has a strong sense of self—they do not present a “work self” separate from their real self, but instead bring their individual personality, interests and style into the office. Gen Z civil servants appreciate leaders who embrace their individuality and make them feel seen. More than other generations, Gen Z seeks individualized relationships with empathetic leaders who cultivate a sense of belonging within the office.

“The carrot-and-stick approach is something that I think is a legacy management style from prior generations. Gen Z brings in a fresh perspective: that you have to take a more individualized approach in terms of management,” explained Jiashen You, vice president of the Asian American Government Executives Network and director of the information and data access division at the Equal Employment Opportunity Commission. “Having more empathy will improve your relatability with Gen Z.”

⁹ Turnover intention is an employee’s willingness to leave an organization.

Building [an inclusive organizational culture](#) often starts with great onboarding. Creating a supportive and productive culture is important for all employees, but it is particularly relevant to Gen Z civil servants who may be experiencing their first full-time job or their first job in the federal government. Proper onboarding involves preparing employees to succeed at the organization in the short term and long term, and preparing supervisors to be great guides. Buddy programs and informal spaces for coffee chats can contribute to an inclusive and supportive environment.

It is also important to note that the hiring process can affect an employee’s overall onboarding experience. When the initial hiring steps are ignored or underfunded, [employees can have a bad first impression of their employers](#). An [efficient, communicative, and clear hiring process](#) sets a strong foundation for effective onboarding and an employee’s future success within an organization.

Recommendation: HR leaders and supervisors should form onboarding cohorts and comprehensive onboarding plans to create an inclusive culture.

During the COVID-19 pandemic, HR offices had to quickly establish [flexibilities](#)—such as using temporary Personal Identity Verification, Common Access Cards or online I-9 forms—to onboard new employees remotely. HR leaders should build on these advances to ensure early onboarding processes are automated, streamlined, user-friendly and coordinated with other onboarding activities.

Onboarding new employees together can also lead to better work experience. This strategy is particularly important for demographic groups that are underrepresented in an agency and might not immediately identify with other colleagues and the overarching organizational culture. Interactive platforms such as Microsoft Teams or Slack can be used to foster community, advertise events, answer questions and solve problems.

Onboarding may take a year or more as employees learn agencywide policies and position-specific requirements. Strong onboarding kits that acclimate new employees to the agency and its work culture in an immersive way also set up employees for a smooth transition. Agencies can provide resources for new supervisors that describe the organization’s philosophy on supervision and common problems new employees face.



TECHNOLOGY

In post-COVID hybrid work environments, reliable and easy-to-use digital technologies are paramount to a good employee experience. Both the Gen X and Gen Z civil servants we interviewed noted how much they value effective digital tools—and their frustration when technology is poorly integrated into their work. Gen Z employees, however, discussed technology in terms of where they choose to work and why.

GEN Z

Gen Z is the first generation to grow up with digital technology fully integrated into day-to-day life. Smartphones, reliable access to the internet, social media and the digital classroom are hallmarks of Gen Zers formative experiences. As a result, Gen Z employees quickly adapt to new technologies and expect technological

advancements. Meeting this expectation is a challenge for the federal government, given its history of [outdated technological infrastructure](#) and a culture that is [slow to adapt new technology](#).

To retain a committed and effective Gen Z staff, leaders need to cultivate remote, hybrid and in-person work environments that have well-integrated, high-functioning technology that facilitates communication, collaboration and belonging.

As one Gen Z employee explained: “I’m really impressed with [my current agency’s] infrastructure in terms of our use of SharePoint and Teams, and how we have been able to work in an entirely virtual capacity in the last couple of years. When I was at [a different agency], I was disappointed to find that we were still making redline edits to important language going out to the American people through the body of an email and in using the highlight and strikethrough functions.”

Recommendation: Senior leaders should partner with information technology and chief technology officer departments to advocate and plan for the adoption of modern technology.

Gen Z employees expect modern program systems that can help them execute on mission. Currently, much of the federal government runs on [legacy technology systems](#) that can make it [harder for employees](#) to get work done, cost leaders increasing amounts of money and leave sensitive information vulnerable to cyber threats.

Technology leaders in agencies facing these challenges should [develop modernization plans](#) and consider how they might leverage federal resources designed to improve agencies’ technological capacities. Such resources include the [Technology Modernization Fund](#)—which invests in efforts that transform how agencies deliver their mission—as well as federal technology consulting services such as [18F](#), [TTS Solutions](#) and the [IT Modernization Centers of Excellence](#) of the General Services Administration. A similar government-wide resource is the [U.S. Digital Service](#), while the [Defense Digital Service](#) and the [Defense Innovation Unit](#) are specific to the Department of Defense.

Focus group participants also talked about the importance of sharing expectations around digital collaboration, such as creating norms for on-camera virtual meetings. Leaders at the appropriate level should meet this imperative by modeling proper use, creating clear expectations and developing accountability mechanisms. They should also consult with HR and any disability advocacy groups in the agency before implementing these norms to ensure that they are inclusive and accessible.

[Hybrid or remote workplaces](#) include additional barriers to and opportunities for inclusion and productivity. However, companies can use a range of tools to help make the hybrid environment more inclusive. Studies have shown that causal interactions outside of an immediate work-team can contribute to greater organizational functioning. Teams can use “status” bars to show when employees are ready for a chat, and leaders can use [relationship mapping tools](#) to assess levels of inclusion within the office. Applications such as Zoom and Slack enable leaders to understand how people of different identities are working together. Using these resources, however, must be balanced with employees’ desire for privacy and independence.

Recommendation: HR offices, evaluation offices and senior leaders should work together to develop reverse mentoring programs.

Gen Z federal employees grew up learning how to use and quickly adapt to cutting-edge technology in academic settings and their day-to-day lives. Through reverse mentoring, Gen Z federal employees have the potential to share this knowledge with other generations, including baby boomers, Gen Xers, and older millennials. A reverse mentoring relationship can help Gen Z federal employees feel like a valued part of the team, teach other federal employees new skills and improve office workflows. However, reverse mentoring programs can cause resentment if not implemented properly.

Reverse mentoring can comprise [one-on-one meetings, small group discussions or topic-based lunch-and-learns](#). To pick the right type of reverse mentoring program and execute it well, agency leaders should align on the [key objectives and metrics](#) for the initiative. Evaluation offices can help create evaluation plans. This will help define the parameters of the program and manage expectations for planners and participants. It's important for all parties to understand the structure, timeline and goals of the program.

Strong programs require effective matching mechanisms that join volunteer mentors and mentees with similar interests and complimentary knowledge. [To increase respect and maintain low levels of conflict](#), leaders participating in the program should be open to feedback. [Some mentoring programs](#) have seen stronger relationships develop when program coordinators create a space early on that encourages vulnerability among leadership. Junior staff may require training sessions to help them communicate respectfully, structure the relationship and problem-solve.



FACILITATED GROWTH

Opportunities for professional advancement and resources that facilitate career growth also drive staff retention. When civil servants stagnate in unexciting and unrewarding routines and feel discouraged from visualizing and planning this growth, they may look for other opportunities. [Academic research](#), for example, has shown that agencies that assessed the training needs of staff saw higher employee engagement scores, which might lead to better retention.

Opportunities for growth can include traditional approaches such as attending lectures, participating in training sessions and being promoted, as well as less formal means, such as collaborating on new projects with different colleagues or exploring new areas of work.

GEN X

Some Gen X civil servants currently at the GS-14 and GS-15 levels view joining the Senior Executive Service as the final step in their government career. However, there are a finite number of SES positions, and the process of joining the ranks of senior career leaders is selective. For that reason, the ability to join the SES is a retention factor for some midcareer civil servants. Roadblocks to advancement in the federal government can make opportunities in the private sector more appealing.

NEW GENERATION, NEW FEDERAL CAREER ARC

With less than three years of post-college experience in the workforce, many Gen Zers are still exploring a range of job possibilities, career goals and lifestyles. As such, Gen Z civil servants may change jobs faster than their older colleagues. Additionally, the Gen Zers we spoke to discussed wanting to seek opportunities throughout the federal government rather than only growing within their current agency for their whole careers. Some Gen Zers see their federal job as just one stop in a career that may bring them to the private, nonprofit or academic sector as well.

This insight raises an important question for federal leaders about whether retention strategies for Gen Z employees should aim to keep them within their agency or within the federal government more broadly. While this report does not recommend one approach over another, our research indicates that civil servants who pursue federal careers through multiple agencies instead of just one are well-positioned to share knowledge, build community and network across agencies, all of which benefits public service.

Intra- and interagency details as well as cross-sector tours of duty, like those facilitated by the Intergovernmental Personnel Act Mobility Program, may enable Gen Zers to explore new opportunities while remaining within one federal position for a longer time. Nonprofit organizations can help with this. The Partnership for Public Service's [IPA Talent Exchange Program](#) helps match agencies and individuals for IPA assignments.

Obstacles to joining the SES include a lack of encouragement from supervisors and other leaders, as well as insufficient resources for developing leadership qualifications and preparing SES applications. Moreover, because most SES positions remain occupied by baby boomers, some midcareer Gen Xers report being discouraged by the fewer-than-expected opportunities to advance into senior career leader positions. In 2021, civil servants 55 years and older make up just 29.1% of the workforce but 53.3% of the SES, while Gen X federal employees make up 41.5% of the federal workforce and 44.3% of the SES.

Recommendation: Agency leaders should promote federal resources that help employees advance into leadership roles.

Examples that will help employees move up the ranks include the [Senior Executive Candidate Development Program](#), formal or informal mentoring, the Partnership for Public Service’s [Excellence in Government Fellows program](#), and nongovernmental organizations that support federal employees. For example, the [Asian American Government Executive Network](#) and the [African American Federal Executive Association](#) provide specialized training opportunities for those seeking to join the SES.¹⁰

GEN Z

Gen Z is interested in growing professionally, including developing new skills and exploring what they do and do not like. For example, according to a [LinkedIn survey](#), 40% of Gen Z workers in the private sector said they would accept a 5% pay cut to work in a position that offered career growth opportunities.

Mentoring is particularly important to younger federal employees. Evidence indicates that Gen Zers seek tailored guidance, and those who have been working from home during the COVID-19 pandemic might need extra help adjusting to the federal workplace. Targeted, personalized support in their current role could help them create interpersonal connections and understand their office’s culture in ways not readily available to them in a remote or hybrid environment.

Gen Z civil servants also appreciate supervisors, mentors and leaders who help them plan for a federal career by envisioning goals and highlighting the actions needed to achieve them. Online digital career mapping tools are a useful resource to this end because they help federal employees understand career arcs and advance from one level to the next. To be effective, career mapping resources need to be user-friendly, easily accessible and up to date. The [Cyber Career Pathways Tool](#) at the National Initiative for Cybersecurity Careers and Studies is a good example. Gen Z employees also appreciate career ladders, which are positions with built-in promotion potential within a specified time range.

Recommendation: Agency HR leaders and supervisors should use career ladders and personalize professional development and digital career mapping services.

Employees want to visualize their career growth and development; without that, they are liable to leave organizations. Leaders at various levels can contribute to a workplace that prioritizes professional development.

¹⁰ When creating a diverse workforce with equitable opportunities, it is important to pay attention to who receives development and advancement opportunities as well as financial incentives. According to the Government Accountability Office, employees of diverse racial and ethnic backgrounds in some federal agencies are [promoted at lower rates than their white coworkers](#). Such disparities can make it harder for agencies to recruit and retain a diverse workforce. These challenges can be addressed by creating targeted mentorship programs and conducting compensation equity reviews.

- **Agency leaders should work with HR professionals** to expand the use of [career ladders](#). As one Gen Z civil servant noted, “It’s always about stability when it came to me going into this agency—knowing what steps are going to happen, what grade is going to happen, exactly what promotion potential I would have and exactly what the career path going forward was going to look like for me.”
- **HR leaders** in agencies with career mapping resources should assess whether they are easy to use, informative and useful to staff at various levels and career fields. The State Department, for example, has effective, publicly available and comprehensive digital [career mapping resources](#). HR leaders in agencies without such tools should partner with web designers or other technology specialists to develop them. It can be helpful to personalize career mapping resources by organizing information sessions that provide space for a wide array of agency leaders and employees to reflect on using these resources to hone their career paths.
- **Supervisors** should have individualized conversations with direct reports about their future career ambitions and how to use a career map. They should understand career ladders in their organization and advocate for supervisee promotions up the career ladder when an employee has worked an adequate amount of time and completed tasks at a higher level.

Recommendation:

They also should encourage tours of duty in other sectors via public–private [talent exchange programs](#) and the [Intergovernmental Personnel Act Mobility Program](#), which enables federal employees to work temporarily in nonprofits, academia, and state and local governments.

Opportunities for federal employees to work in different environments and with new colleagues facilitate professional development and benefit federal agencies. For example, the [President’s Management Council Interagency Rotation Program](#) allows high-functioning GS 13-15 employees to develop leadership competencies and increase interagency collaboration. Intra- and interagency details may be particularly attractive to Gen Z employees, many of whom are interested in exploring various job responsibilities and work environments. Details and cross-sector tours of duty allow them to gain new hands-on experience without leaving their current positions. The Department of Housing and Urban Development has a [good model of an intra-agency rotation](#) program, while the Presidential Management Fellows Program offers an [example of interagency rotations](#).



The 148th Foreign Service Class and 155th Civil Service Class take the Oath of Offices | Photo credit: U.S. Department of State

Conclusion

Staff retention is a perennial concern among federal agencies because public servants are the engine of government. A number of factors make retaining effective federal employees a particularly critical issue today. The challenges of COVID-19, wage stagnation, rising costs of living and other pressures have led to record rates of attrition in the U.S. workforce. Additionally, many workers, including federal civil servants, have developed new expectations about their work environment after going virtual during the pandemic. These pressures are compounded by a hard truth: an estimated one-third of the federal workforce will reach retirement age within the next two years.

Recognizing the need to better understand why civil servants remain in or leave both their jobs and the federal government all together, the Partnership for Public Service in collaboration with ServiceNow examined an often-overlooked factor of employee retention: generational values and expectations. In particular, we focused on two generations that represent the future of the federal workforce. Generation X civil servants—born between 1965 and 1980—are starting to assume senior roles and will shape federal leadership in the near future. Generation Z civil servants—born between 1997 and 2012—are just beginning their careers and are poised to help integrate digital technologies and evolving work patterns into federal management practices.

This report is the result of our research. Based on a literature review, employee attrition data, interviews with senior federal and nonprofit leaders who support federal employees, and focus groups with civil servants, this analysis highlights the general characteristics and work motivations of Gen X and Gen Z. It also outlines the biggest motivators for these generations to remain in their jobs or the federal government:



Flexible work.



An inclusive, supportive and productive workplace culture.



Financial incentives.



Connection to mission.



Technology.



Facilitated growth.

These and other retention factors, however, should not be treated as independent variables. They intersect in various ways to affect career decisions—which, ultimately, are always personal.

Finally, this paper offers recommendations for what senior agency leaders, midlevel managers, supervisors, HR offices and evaluation teams should do to retain Gen X and Gen Z public servants. These recommendations involve:



- Evaluating the feasibility of remote and hybrid work.
- Facilitating positive reentry to in-person work.
- Mentoring and reverse mentoring programs.
- Effective staff onboarding.
- Adopting modern technology tools and culture.
- Professional development and other opportunities for growth.
- Facilitating access to student loan forgiveness programs.

By sharing these findings and recommendations, the Partnership and ServiceNow aim to help federal leaders at various levels better support and retain a diverse and effective workforce to ensure that agencies have the capacity, drive and know-how to best serve the public.

Authors



Paul Pietsch oversees the Partnership’s federal workforce research portfolio. He believes in the ideal of government of the people, by the people and for the people—which is why he served in the Peace Corps, attended state universities with pride and owns the “West Wing” box set. Paul’s research career has focused on improving policy, programming and management practices at state and federal agencies. His favorite public servants are the career staff of the National Endowment for the Arts, who work tirelessly to increase access to the arts in communities big and small throughout the country.



Maddie Powder supports the Partnership’s quantitative research work, including projects on developing federal data capabilities. She developed a love for research in college while researching counterterrorism and gained a passion for public service through an internship at the State Department. She is interested in evidence-based policymaking and its potential to streamline decision-making and improve government effectiveness. Maddie’s favorite public servant is Tammy Duckworth, who served her country bravely and is the first Thai American woman and the first woman with a disability elected to Congress.

Appendix I: Federal Retention Incentives

Please note, many of these retention incentives can be allocated only in consultation with an employee’s bargaining unit representative. Agency leaders should consult with their HR and general counsel offices before starting new incentive programs.

Incentive	Eligibility	Description
Pay Retention	Individuals likely to leave for a different federal position (excludes presidential appointees and noncareer SES)	<ul style="list-style-type: none"> Agencies may offer a retention incentive rate at 25% of basic pay, but it can be as high as 50% with OPM approval. Employees must have a performance rating of “Fully Successful” or equivalent. Agencies must create a retention incentive plan and document the “special need for the employee’s services that makes it essential to retain the employee.” An agency official must re-authorize the retention incentive every year. Participating employees must sign agreements committing to a specified duration of continued federal employment.
	Individuals likely to leave the federal government (excludes presidential appointees and noncareer SES)	<ul style="list-style-type: none"> Agencies may offer a retention incentive rate at 25% of basic pay, but it can be as high as 50% with OPM approval. Employees must have a performance rating of “Fully Successful” or equivalent. Agencies must provide written notice to the employee that their position might/would be affected by closure or relocation efforts. Agencies must create a retention incentive plan and document the “special need for the employee’s services that makes it essential to retain the employee.” An agency official must re-authorize the retention incentive every year. Participating employees must sign agreements committing to a specified duration of continued federal employment.
	Groups of employees likely to leave the federal government ¹¹	<ul style="list-style-type: none"> Agencies may offer a retention incentive rate at 10% of basic pay, but it can be as high as 50% with OPM approval. Employees must have a performance rating of “Fully Successful” or equivalent. Agencies must narrowly define the targeted group. Agencies must create a retention incentive plan and document the “special need for the employee’s services that makes it essential to retain the employee,” An agency official must re-authorize the retention incentive every year. Participating employees must sign agreements committing to a specified duration of continued federal employment.
Special Rates	Individuals in certain geographic areas	<ul style="list-style-type: none"> OPM may establish higher rates of pay for a group of employees or category of General Schedule positions to

¹¹ Groups of employees can include General Schedule employees, law enforcement officers, or prevailing rate positions.

		<p>address challenges in retaining qualified employees in certain geographic areas.</p> <ul style="list-style-type: none"> • Agencies can use special rates to address hiring challenges due to higher private sector pay in an area, the remoteness of an area or the undesirability of an area.
Alternative Work Schedules	Individuals by request	<ul style="list-style-type: none"> • Agencies may offer employees flexible¹² or compressed¹³ alternative work schedules and create all guidelines, instructions and procedures that govern these schedules. • OPM may provide periodic reviews of any agency's alternative work schedule structures.
Telework	Individuals by request	<ul style="list-style-type: none"> • Agencies may enter into a written agreement with employees that allows them to perform their work at alternative approved worksites on a regular and recurring basis. Generally, telework agreements require teleworking employees to report to their agency worksite two days per pay period.
Remote work	Individuals by request	<ul style="list-style-type: none"> • Agencies may enter into a written agreement with employees that allows them to perform their work at an alternative worksite without reporting to their agency worksite on a regular and recurring basis. The alternative worksite may be within or outside the local commuting area of the agency worksite. • Employees working remotely receive the locality pay associated with the location of their remote worksite. • Employees must sign a remote work agreement with their manager.
Federal Student Loan Repayment Program	Individuals with student loans	<ul style="list-style-type: none"> • Agencies can repay federally insured student loans of their employees—up to \$10,000 per year (\$60,000 total) per employee. • Federal employees receiving this benefit must sign a service agreement to remain in the service of the paying agency for a period of at least three years.
Public Student Loan Forgiveness Program (PSLF)	Individuals with student loans	<ul style="list-style-type: none"> • The federal government may forgive the remaining balance of federal Direct Loans for people who have worked for the federal government—or another qualifying employer such as a nonprofit or a state, local or tribal government—for 10 years. • Individuals must apply for loan forgiveness, documenting, among other things, that they have made at least 120 qualifying payments on the loan.
Critical Position Pay Authority	Individuals with high-level expertise in a critical field ¹⁴	<ul style="list-style-type: none"> • Agencies facing significant difficulty in hiring for critical positions can appeal to OPM, in consultation with the Office

¹² A flexible schedule is composed of core hours and days when an employee must be present for work as well as designated work hours that can be completed with more flexibility.

¹³ A compressed work schedule condenses 80 hours of work into less than 10 work days, so employees work more than 8 hours a day but fewer days per pay period.

¹⁴ Often used for scientific, technical, professional, and administrative fields.

	that faces high salary competition outside government	<p>of Management and Budget, to have the position designated as critical and the salary raised.</p> <ul style="list-style-type: none"> • Agencies must demonstrate the need, level of expertise required and why the position has yet to be filled to the OPM director. • Generally, agencies cannot submit for pay higher than the rate for level I or II of the Executive Schedule. • Agencies must submit annual reports to OPM detailing their use of this program.
Extension of the Higher Annual Leave Accrual Rate to SES and SL/ST Equivalent Pay Systems	Individuals in the SES, senior level positions, and scientific or professional positions	<ul style="list-style-type: none"> • Agencies can request that OPM allow eligible individuals to accrue annual leave at the rate of 1 day (8 hours) per biweekly pay period without regard to their length of service. • Agencies can use this incentive to retain highly specialized employees at the senior level.

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Architect of the Capitol

Defense Logistics Agency

Department of Education

Department of Energy

Department of Health and Human Services

Department of Homeland Security

Department of Labor
Department of the Treasury
Department of Veterans Affairs
Equal Employment Opportunity Commission
Federal Trade Commission
General Services Administration
Securities and Exchange Commission
Social Security Administration

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