

A close-up portrait of a woman with short, grey hair, smiling warmly. She is wearing a light-colored jacket and large, orange, rectangular earrings. The background is a soft, out-of-focus blue.

NEOGOV

REFRAMING RETENTION

Strategies to Attract and Sustain Top Public Sector Talent



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CURRENT EMPLOYEE RETENTION LANDSCAPE

Employee retention is a top-priority issue facing government agencies in 2024 and 2025. **Employers in the public sector struggle to compete with private sector companies for top talent, and retaining those employees is an even greater challenge.**

In 2022, the Bureau of Labor Statistics (BLS) reported the highest government employee attrition rate in the last five years at 7.6%. The sector rebounded in 2023, with attrition dropping to 5.9%—but even considering this recovery, government agencies aren't keeping up with private sector rates. During the same year, the private sector saw a 3.6% attrition rate across all industries ([Whiting](#)), retaining top talent at a clip higher than the public sector has ever achieved.

Complicating this issue further is a government workforce moving toward retirement. The public sector faces even higher rates of attrition with younger employees (12.4% for Gen Z and 8.5% for those under 30) ([Hyman](#)), and the oncoming retirement wave is positioned to put more strain on government agencies to replace late career industry experts.

Why does this matter? High attrition rates reduce operational efficiency and cost government agencies for the recruitment and training of new employees. According to a study by the [Society for Human Resource Management \(SHRM\)](#), **the average cost-per-hire for recruiting a new employee is \$4,700**—but that doesn't include indirect costs (like the time and energy leaders and managers must divert from organizational goals to invest in supporting the hiring and training processes) or costs related to hard-to-fill positions and hard-to-find skills. Overall, the total can be three to four times the position's salary.



PROBLEM: KEEPING TOP TALENT

Retaining top talent requires a multi-pronged approach that tackles a variety of factors. **Right now, issues with culture, compensation, and burnout top the list of issues bringing down retention rates**—and solving them first requires understanding what they are.

Culture Issues

According to a nationwide survey by Eagle Hill Consulting, 70% of U.S. government employees say the culture at their agency impacts their will to do their best work, and **69% say that culture drives their productivity and efficiency**. What did respondents rate as the most important aspects of workplace culture?

Figure 1

Most Important Aspects of Workplace Culture

Source: Nationwide Survey
by Eagle Hill Consulting



But while respect and integrity rank high, many government agencies aren't hitting the mark. The same research showed that **just 8% of government employees trust leadership at their agencies, while 69% agreed that leadership is responsible for an organization's culture**. This disconnect indicates a failing of leadership to communicate those top qualities desired in a workplace culture—which is a major problem for employee retention.

Melissa Jezior, president and CEO of Eagle Hill Consulting, had this to say about the issue: "Agencies are best able to meet their mission when leaders are intentional about their culture and employee wellbeing. The most successful government leaders define their culture, actively manage and monitor it, and model the behaviors they want to see across their agency. And **when culture isn't a high priority, agencies struggle to deliver on their mission and face recruitment and attrition problems.**"



Feedback for Employees

Directly related to culture, feedback for employees plays a critical role in employee satisfaction—especially as it relates to job competency. Constructive feedback and recognition promote a sense of respect and value—but right now, the data shows that **46% of government employees would like to receive more recognition for their work**, and 21% more report never being recognized for their efforts.

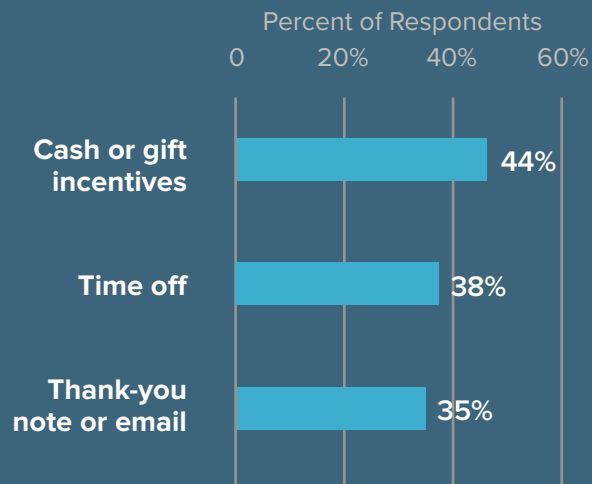
In contrast, NEOGOV's data shows that managers who document feedback in journals and share that feedback with employees actually improve retention rates by 14%. This shows a clear link between employee feedback, job satisfaction, and retention—indicating that agencies can significantly reduce attrition and the related problems by providing consistent feedback.

What's the best way to provide feedback that's actually helpful? Try tech that integrates with the rest of your HR software. NEOGOV's Perform helps track employee performance and provide constructive, actionable feedback to keep employees engaged and build a more capable workforce. [Get more information here.](#)

Figure 2

How do public sector employees like to be recognized?

Source: Eagle Hill Consulting



A Sense of Purpose

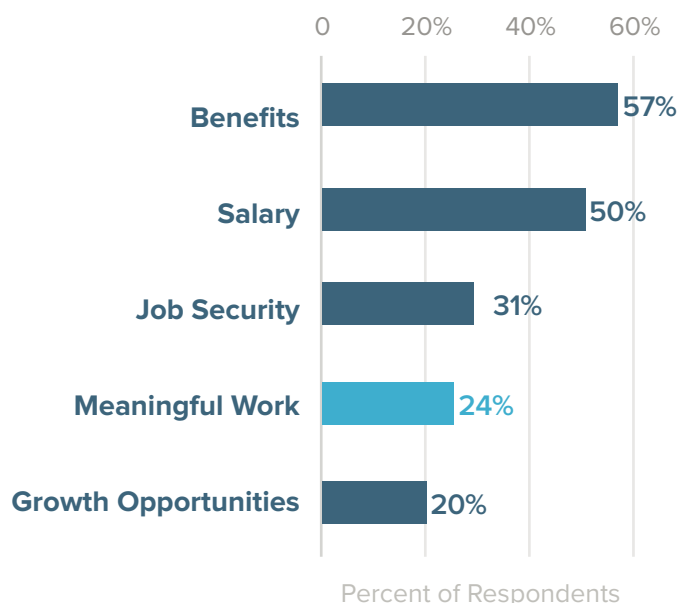
Government employees who feel a strong sense of purpose feel more connected to their agency's mission, experience higher job satisfaction, and take more pride in their work. This seems simple—but data shows that **this sense of purpose makes employees twice as likely to stay with their agency** in the long run ([Great Place to Work](#)). There's also an expectation of more meaningful work in the public sector, with public agencies carrying an attachment to the common good. In fact, NEOGOV's own data shows that the opportunity to do meaningful work is the **#1 reason 24% of job seekers** choose to work in the public sector.

What is a sense of purpose in this context? It refers to an employee's understanding of how their individual contributions directly impact the agency's mission and outcomes—rather than focusing on broader, overreaching concepts. **If an employee feels that their work is pointless or makes no difference, their risk for turnover is high.** Recognition and consistent communication help create that sense of purpose and improve retention rates for government agencies overall.

Figure 3

Most appealing aspects of Public Sector Jobs

Source: NEOGOV Fragile Future of Recruitment Report



...and Belonging

The data on this is clear. **When government employees feel like they belong, they are 18 times more likely to want to stay with their agency long term** ([BetterUp](#)). Fostering a sense of belonging starts with culture, but diversity in the workforce is also a factor—and in government agencies, this can be lacking. The majority of hires by government agencies tend to be white by a percentage far higher than the difference in the number of eligible applicants. For example, NEOGOV data shows that in Q1 of 2024, the number of qualified Black women who applied to work at a government agency was 18.4% fewer than the number of qualified white men—and the number of Black women hired by the agency compared to those same men was 58.8% fewer.

A commitment to fair hiring practices, the dismantling of internal biases, and an increase of diversity within government agencies will go far to encourage a sense of belonging for all—which in turn will improve retention.

Compensation

Government salaries are generally lower than private sector equivalents, which can contribute to turnover. According to the Economic Policy Institute (EPI), even when factoring in the more robust, public-sector benefits packages, total compensation is approximately 14.5% lower for public-sector workers than for private-sector workers in similar roles ([Morrissey](#)). Additionally, only 57% of government employees surveyed by the U.S. Office of Personnel Management (OPM) are satisfied with their pay. This dissatisfaction can lead to higher attrition rates as employees look for better opportunities elsewhere.

One compensation-focused retention strategy is to offer retention bonuses. When there are extra funds on hand for hard-to-fill roles, in many agencies the tendency is to offer sign-on bonuses. While this strategy does help fill roles initially, it doesn't motivate employees to stay with the agency for longer periods. Offering retention bonuses can be a powerful way to improve engagement and incentivize retention rather than trying to fill the same role over and over.

Burnout

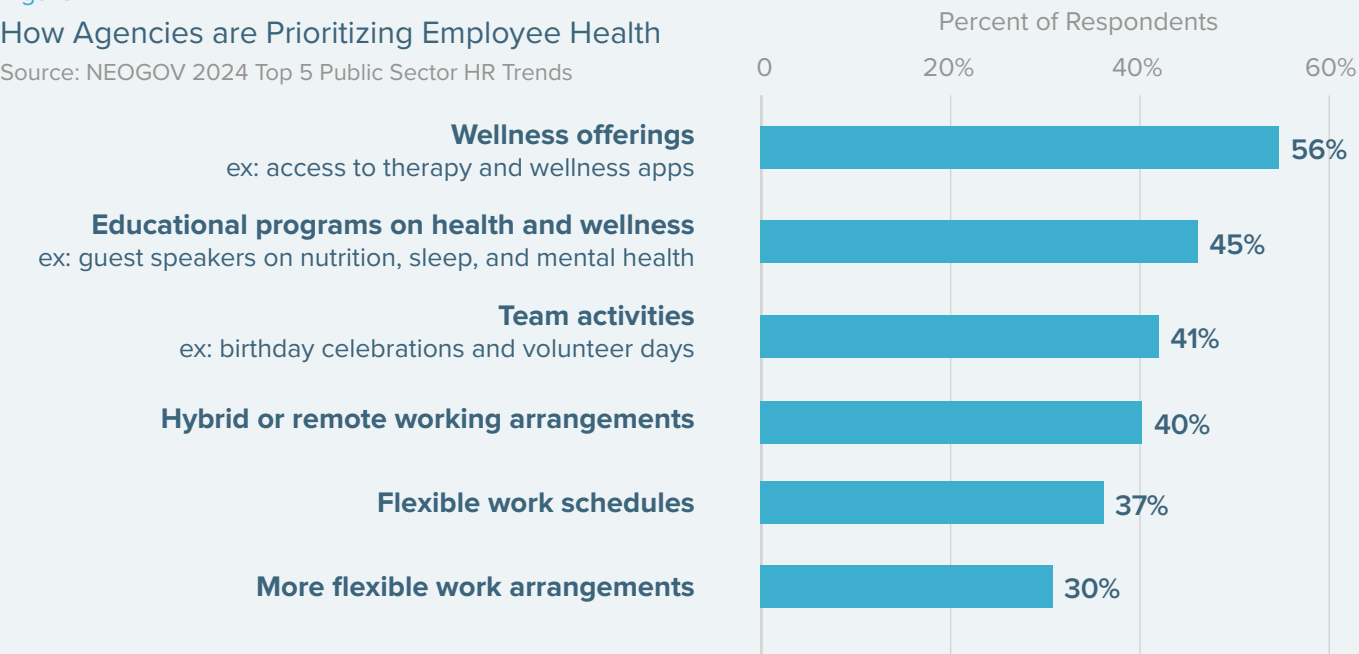
A meta-analysis of 59 studies found that **the largest contributing factor to government employee attrition is exhaustion**. In fact, [Eagle Hill's research](#) shows that 65% of government employees feel burnt out at work (compared to 44% of private sector employees), and—critically—that nearly half (49%) of the government workforce is likely to leave their job in the next year due directly to burnout.

For reducing attrition and increasing talent retention, addressing employee burnout should be a top priority. Many agencies are tackling burnout head-on by focusing on wellness-centered retention strategies. [NEOGOV's data](#) shows that in Q1 of 2024, **public agencies are prioritizing employee health and wellbeing by:**

Figure 4

How Agencies are Prioritizing Employee Health

Source: NEOGOV 2024 Top 5 Public Sector HR Trends



These top-rated strategies reduce burnout and improve employee engagement, which has a tangible positive effect on retention rates.

STRATEGIES FOR IMPROVING EMPLOYEE RETENTION IN THE PUBLIC SECTOR

1. Foster Belonging Through Inclusion
2. Embrace Skills-Based Hiring
3. Leverage Technology for Streamlined HR Processes
4. Target Retention Efforts for Critical Roles



RETENTION STRATEGY 1: FOSTER BELONGING THROUGH INCLUSION

Creating a sense of belonging through diversity and inclusion is a powerful strategy for retaining government employees. It improves employee satisfaction and engagement and helps reduce attrition due to other factors—like burnout and a lack of purpose. Forbes recently reported that these strategies produce happier, more innovative employees, while Business Leadership Today shows that **companies using these types of initiatives are 2.6 times more likely to improve retention** and see other improvements ([Tenney](#)).

The strategy for fostering an inclusive workplace must be comprehensive. Surface-level initiatives and lip service to inclusion will aggravate the issue because they will feel insincere while allowing systemic problems to continue. The following is a strategy framework for improving diversity and inclusion in government agencies.

Develop a comprehensive plan

Start by creating a detailed plan that outlines specific goals, initiatives, and metrics for success. **This plan should be developed with input from employees at all levels** and address various aspects of a diverse workforce, including (but not limited to) race, ethnicity, gender identity and expression, age, disability, religion, and sexual orientation.

Implement inclusive hiring practices

Taking action on this plan starts with hiring. **Government agencies must ensure that their recruitment and hiring processes are designed to attract and select a diverse variety of candidates.** They can do this via the following:

- Using inclusive language in job postings
- Implementing blind resume screening (eg. removing names and other personally identifiable information (PII) from resumes)
- Diversifying interview panels

Implementing these inclusive hiring practices doesn't have to be difficult or time-consuming. With built-in PII blinding features and more, NEOGOV's Insight simplifies the process. [Get more information here.](#)

Establish employee resource groups (ERGs)

An ERG is a voluntary, employee-led organization that helps foster a diverse and inclusive environment. They are usually formed around shared characteristics, such as race, gender, and sexual orientation, and their goal is to provide support, connection, networking opportunities, and a voice for underrepresented employees. As an added bonus, these groups can assist agency leadership in understanding diverse perspectives.

Provide inclusion and cultural competency training

Inclusion training is **important for dismantling unconscious bias and reducing microaggressions** in the workplace, which greatly contribute to burnout in employees who experience them. What should diversity and inclusion training cover? To start:

- Unconscious bias awareness
- Cultural competence and the move away from ethnocentrism
- Inclusive leadership
- Allyship and advocacy

These training programs should be mandatory for all employees, especially those in leadership positions and those involved in the hiring process.

Create mentorship and sponsorship programs

Mentorship and sponsorship programs that pair employees from a variety of backgrounds with more experienced colleagues can help underrepresented employees navigate their careers and feel more connected to the organization. **This helps promote a sense of belonging and agency loyalty**, and it can help give marginalized employees the career foundation they may be lacking compared to non-marginalized peers.

Promote inclusive leadership

Leadership plays a critical role in making sure inclusion initiatives are successful. **Agencies should require leaders to model inclusive behaviors and hold them accountable** for nurturing a diverse and inclusive environment. This can include:

- Regularly seeking input from diverse team members
- Ensuring equitable distribution of opportunities and resources
- Addressing microaggressions and discriminatory behavior promptly and appropriately

Also make sure that when a leadership role becomes available, candidates from a variety of backgrounds are considered equally on their merit.

Establish clear communication channels

As with any workplace initiative, it's not enough to set it and forget it. Government agencies must **create feedback mechanisms that allow employees to voice concerns and suggestions** related to diversity and inclusion. This can include anonymous surveys, town hall meetings, one-on-one discussions with leadership, and more.

Align values with organizational mission

To make inclusion a built-in part of their organization's core, government agencies should connect it to their broader mission and values. **This can be done by emphasizing how a diverse and inclusive workforce better represents the public at large**, directly improving public service and increasing the effectiveness of governance.

Measure and report progress

Finally, inclusion initiatives won't help retention if they aren't working. Government agencies should **regularly assess the effectiveness of their initiatives using both quantitative and qualitative metrics** and make changes if that data shows them coming up short.



RETENTION STRATEGY 2: EMBRACE SKILLS-BASED HIRING

Skills-based hiring is the practice of hiring candidates based on their abilities rather than their credentials. While some positions require employees to possess certain degrees, education, and licenses to function, others do not. Including those requirements when they aren't truly necessary limits the applicant pool from both a talent perspective and a diversity perspective.

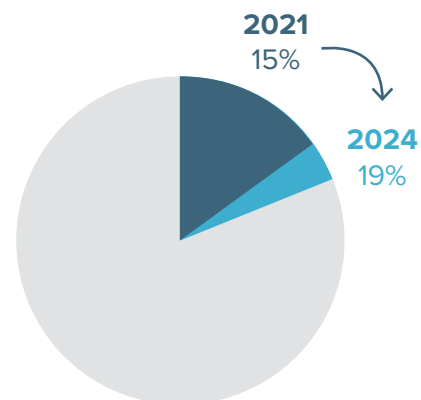
Why is this important? One—improving diversity in the workplace improves agency culture and the overall employee sense of belonging, which greatly impacts retention rates. Two—**adopting skills-based hiring practices can increase the number of qualified candidates by 19 times** (Borden). This provides more opportunities to more qualified workers. According to Opportunity@Work, one year after removing unnecessary year degree requirements from job postings, 15 states saw 7% (approximately 3,000) more middle- and high-wage state jobs become available to workers without four-year degrees. This makes it easier to find candidates who will be good at their jobs, find fulfillment in the role, and want to stay with the agency in the long term.

How does a government agency implement skills-based hiring?

Figure 5

Job Postings That Don't Require a College Degree

Source: Borden, LinkedIn



Start by revising job requirements and descriptions

Changing basic minimum requirements includes removing degree requirements from job descriptions for positions where equivalent skills and experience will suffice. Additionally, job descriptions should clearly state when no degree is required for a role. If not already included, job descriptions should also be updated to include language detailing what skills are required and how applicants can demonstrate those skills. [NEOGOV's data](#) shows that doing this alone can result in a qualified applicant pool that is up to 500% larger.

Develop new assessment methods

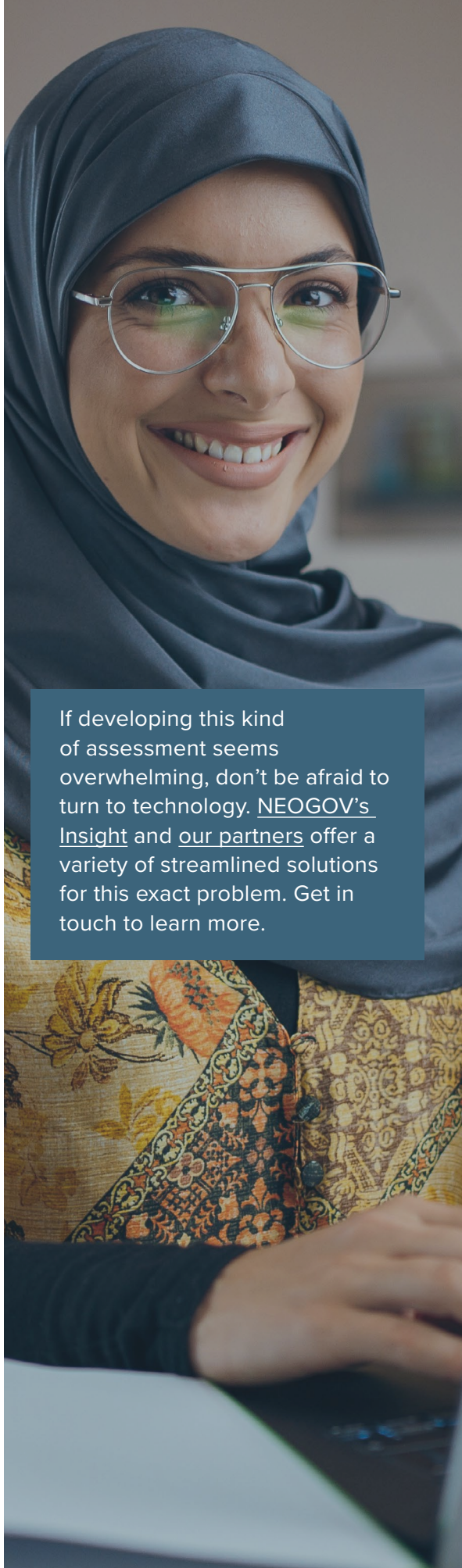
Agencies implementing skills-based hiring will need new methods of assessment to determine whether or not applicants have the skills necessary for the position. The best way to do this is to involve subject matter experts (SMEs) related to the role. These individuals can help develop and deploy skill assessments as well as participate in resume reviews. **Any skill assessment used to make hiring decisions should be applied evenly and blindly to all eligible candidates** to ensure fair and unbiased evaluation.

Change agency culture via communication and training

Implementing skills-based hiring requires a change in culture, and it won't happen overnight. Some high-level employees and members of leadership may feel resistant—especially if they were required to demonstrate eligibility for their roles through degrees and certifications that required extensive time, effort, and expense to obtain. This is normal, and clear communication and training can help.

Education for leadership, management, and everyone involved in the hiring process on what a skills-based hiring program entails will facilitate adoption. This training should cover what to look for during resume review and how to engage with SMEs, and it should provide guidance on interpreting skills-based assessments. It should also review unconscious bias and how skills-based hiring can help mitigate it—which dovetails with diversity and inclusion retention programs.

Throughout the transition, government agencies should encourage dialogue and address concerns openly. **It's crucial to emphasize that this change doesn't devalue existing qualifications, but rather expands the talent pool and focuses on practical abilities.** If necessary, consider implementing a phased approach that starts with pilot programs in specific departments or roles, and use successes to build momentum. Regular communication about progress, challenges, and wins will help maintain enthusiasm and support for the initiative. Cultural change is a continuous process, so patience and persistence are key to successfully embedding skills-based hiring practices into the agency for the long haul.



If developing this kind of assessment seems overwhelming, don't be afraid to turn to technology. [NEOGOV's Insight](#) and [our partners](#) offer a variety of streamlined solutions for this exact problem. Get in touch to learn more.



Look for new partnerships

Agencies implementing skills-based hiring can reliably find skilled and qualified employees by expanding their recruitment efforts and forming new partnerships. This can include **building relationships with local K-12 schools, community colleges, community-based organizations, and Career and Technical Education (CTE) programs** to identify and recruit top suitable talent.

Implement tech and data systems

Agencies that leverage HR technology to aid the transition to a skills-based hiring program will face far less difficulty than those that don't. **The best workforce management systems integrate technologies that streamline skills identification, matching, and the recruitment process—simplifying assessment and decision-making.** These programs can also analyze data and metric tracking to assess the initiative's long-term impact as well as communicate success to the rest of the agency.

A powerful tool for assessing skills-based applications and choosing the right candidate is SkillsSurvey. "Research has proven that effective use of the SkillSurvey Reference Pre-Hire 360® workflow reduces first-year turnover and results in better post-hire performance while adding efficiency to the recruiting process" (NEOGOV). Using this type of technology improves retention by helping your agency make the right hiring decision to begin with. [Get more information here.](#)

Commit to continuous improvement

Successfully implementing skills-based hiring to improve retention is an ongoing process. To continuously receive the most benefits, **agencies will need to regularly review and adjust their policies** to align with best practices.



RETENTION STRATEGY 3: LEVERAGE TECHNOLOGY FOR STREAMLINED HR PROCESSES

Implementing modern workforce management solutions and Human Resource Information Systems (HRIS) can also significantly improve government employee retention efforts. These tools are used to automate administrative tasks and enhance employee self-service capabilities, which reduce stress for both HR staff and agency employees. They can also facilitate other tasks that improve retention. For example, NEOGOV's data shows that **agencies who update their onboarding portal often (within 6 months prior to a new hire) have a retention rate that is 16% higher than agencies who don't.** These online portals are an employee's first impression, and ensuring that they contain up-to-date, accurate, and complete information builds a solid foundation of trust for a new employee to start a successful, long-term career.

If updating your portal frequently seems overly complex or intimidating, your agency is using the wrong workforce management platform. The best programs, like NEOGOV's Onboard, make this task a breeze, empowering HR staff with little to no technical knowledge to keep portals current and engaging.

Additionally, these top-tier workforce management solutions **streamline the hiring process from start to finish, reducing time-to-hire, improving compliance and security, and helping government agencies to obtain top talent.** These systems are configurable with no coding required, designed to be tailored to meet the needs of your specific agency. With the right workforce management system, your new employees won't feel buried under government bureaucracy. Instead, they'll be empowered to control their careers, with increased agency and active engagement.

RETENTION STRATEGY 4:

TARGET RETENTION EFFORTS FOR CRITICAL ROLES

Outside of broad-stroke improvements to workplace culture, hiring practices, and technology solutions, government agencies can reduce the impact of attrition and turnover by targeting intensive retention efforts on critical roles.

Start with identification

To accurately target retention efforts, government agencies must first **identify which roles are critical to the organization's mission and at high risk for turnover**. This process should start with an analysis of each role at the agency. Agencies should evaluate each position's impact on core operations. Also consider how difficult it would be to replace the employee in each role, including factors like specialized skills and institutional knowledge.

This information should then be paired with an analysis of resources and support. Of the roles considered critical to operations and current employees who would be difficult to replace, which do not have enough resources and support? At this intersection, there is a high risk for turnover with destructive impact.

Create tailored retention strategies

Once critical roles are identified, implement targeted retention strategies. The goal should be to lift the burden from critical employees while improving job satisfaction. The following strategies can help:

Competitive Compensation

- Use the maximum possible allowance to provide compensation packages that are competitive with the private sector
- When possible, offer special pay rates or retention bonuses for hard-to-fill roles

Career Development Opportunities

- Prioritize providing clear career progression paths for critical roles
- Offer specialized training and professional development programs
- Create mentorship opportunities with senior staff members

Work-Life Balance

- Allow flexible work arrangements, such as work-from-home opportunities, hybrid work, or alternative schedules when possible
- Offer additional paid time off or sabbatical opportunities for long-term employees in critical positions

Recognition and Engagement

- Develop recognition programs specifically for employees in critical roles
- Involve these key staff members in high-level decision-making
- Regularly provide feedback and communicate the importance and impact of their work

Succession Planning

Alongside retention efforts, agencies should develop robust succession plans for critical roles to reduce the impact if turnover does occur. Here's how:

- Identify and prepare potential successors within the organization
- Cross-train employees to ensure knowledge transfer
- Document key processes and institutional knowledge

Perform regular evaluation.

How well are your strategies working? Knowing the answer to this question is crucial for decision-making and retention efforts overall. **Monitoring turnover rates for critical positions will provide valuable data, while conducting stay interviews with key employees can yield insights into their needs and concerns**, allowing organizations to make informed adjustments.

RETENTION STRATEGY 5: IMPLEMENTATION PLAN

Executing a successful retention plan will look different for every public agency, but each one will cover **the same 6 basic steps**.

- 1 Develop a proactive, comprehensive retention action plan utilizing the strategies outlined above.
- 2 Allocate resources for implementation.
- 3 Create a timeline for implementation.
- 4 Set measurable goals and key performance indicators (KPIs).
- 5 Establish a cross-functional and diverse team to oversee the retention initiative.
- 6 Check in at pre-defined intervals to measure success and make adjustments as necessary.



LOOKING AHEAD TO 2025

In 2024, the public sector remains challenged to compete with the private sector for high-performing employees and to retain top talent. High attrition rates are resulting in operational inefficiencies and substantial costs and having a negative impact on organizational mission accomplishment. These issues are strongly related to burnout and agency culture, where diversity and a sense of belonging can sometimes be found lacking. To address these issues and improve employee retention, government agencies must develop comprehensive retention plans that are proactive, not reactive. It's not enough to enact changes once an employee has expressed dissatisfaction. **Making employees feel valued, engaged, and empowered has to start on day one, and doing that requires these policies to be deeply integrated into an agency's DNA.**

Even with strong retention programs, government agencies will face greater attrition rates into 2025 and beyond due to an aging and retiring workforce. A NEOGOV survey of public sector HR leaders showed that 48% of agencies have seen half to most of their anticipated retirees already leave, while another 47% said they are just starting to see an increased volume of retirees (The Fragile Future of Recruitment). This means that the public sector will almost certainly see a large influx in job openings due to retirement, and the sector's difficulty in attracting and maintaining Gen Z and early-career workers under 30 may prove detrimental to replacing those who leave. **Engaging in skills-based hiring programs, improving agency culture, and offering flexible working environments will help agencies be more competitive** for these types of employees, as will budgeting for more competitive compensation packages and retention bonuses for critical roles.

To implement and track your retention strategies, streamline HR processes from start to finish, and sustain top talent in your government agency, **you need a comprehensive workforce management solution designed for the public sector.** With over 20 years of experience serving government agencies, NEOGOV provides an integrated platform that consolidates government agencies' distinct HR functions—complete with built-in security. Our program simplifies complex processes while making policy compliance easy (with no coding or workarounds required).

By automating manual tasks and offering a robust employee self-service portal, NEOGOV empowers HR teams to focus on strategic retention initiatives rather than time-consuming and tedious administrative tasks. As a result, our programs help agencies improve operational efficiency, reduce errors, maintain compliance, and ultimately cultivate a more engaged workforce—ensuring that you not only attract top employees, but also retain them.



We serve the people who serve the people.

As the leading provider of comprehensive human capital management solutions tailored exclusively for government agencies, NEOGOV is here to serve you. What do we offer? An integrated, cloud-based platform that optimizes the entire employee lifecycle. Our products streamline the recruitment, development, and management processes, enabling public sector organizations to not only attract top talent, but also nurture employee growth and retention. With over 20 years of specialized experience and serving 13,000+ agencies, NEOGOV is uniquely positioned to address the complex HR needs and compliance requirements of the public sector—helping our customers create more inclusive, productive, and impactful workforces that truly serve the people.

To learn how NEOGOV's workforce management solutions can help your agency thrive, sign up for a no-obligation demo today.

13,000+

Public Sector Agencies

800,000+

People Use NEOGOV

20+

Years of Experience