What Explains Executive Turnover in the Federal Service?

The beginning of President Obama’s second term brings changes in the leadership of key administrative agencies. While most media attention has focused on changes in the leadership of cabinet departments, turnover among long-serving career executives in federal agencies is also important. What explains the decisions of federal executives to leave the civil service, and what can be done to prevent high rates of turnover in the future? In a new paper that will be published in the Journal of Public Administration Research and Theory, Anthony Bertelli, the C.C. Crawford Chair in Management and Performance at the University of Southern California’s School of Policy, Planning, and Development, and David Lewis, CSDI Co-Director and the William R. Kenan Jr. Professor of Political Science at Vanderbilt University, engage precisely these questions. Bertelli and Lewis draw on a survey of federal executives across the bureaucracy to evaluate the intent of those executives to leave government service. One of the findings that emerges from Bertelli and Lewis’s study is that a combination of outside job opportunities and reduced influence over policy decisions affect whether federal executives decide to stay or leave.

Bertelli and Lewis use the 2007-2008 Survey on the Future of Government Service, a web-based survey conducted by the Princeton Survey Research Center, to examine executive turnover in the federal sector. This survey includes responses from nearly 2,400 appointed and career federal executives from across the bureaucracy and it is the largest survey of its kind. According to the survey, nearly one-third of top senior career civil servants in the federal government indicated that they are likely to leave their jobs within one year. Among the independent agencies that had the highest percentages of turnover intention were the Federal Trade Commission (40%) and the General Services Administration (37%). These high rates of turnover intent can have real and significant consequences, as executive turnover drains the federal government of management expertise, affects policy implementation, and can influence agency performance.

What factors influence turnover intent among career federal executives? Bertelli and Lewis find that both
labor market and political factors affect whether executives are likely to leave their jobs. First, the presence of outside job opportunities can affect an executive’s decision to stay in government service. An executive is more likely to intend to leave when firms that do business with an executive’s agency provide agency employees with job opportunities in the private sector. However, her decision to leave her job is also contingent upon the amount of agency-specific skills the federal executive acquires. Some federal executives find that they can only gain the expertise needed to perform their jobs through experience working in the agency. Investment in these agency-specific skills and knowledge can make an executive less likely to intend to leave federal service if the skills are not easily transferable to jobs in the private sector. In some cases, however, federal executives have agency-specific human capital and many job opportunities in the private sector. In such cases, an executive is more likely to announce the intention to leave her job. These results suggest that pay freezes and potential cuts in federal salaries are likely to lead to increased turnover among federal executives, particularly those with the most valued knowledge and skills.

Second, political factors also can affect turnover intention. Often, job opportunities in the private sector mean the possibility of higher wages. While an executive’s agency may not be able to compete with the private sector in terms of wages, agencies can compensate federal executives in non-pecuniary ways. In particular, agencies can provide executives with opportunities to influence policy. When a federal executive believes that she can influence the design and implementation of public policy, she is less likely to express an intention to leave her job. In contrast, career executives in agencies where political appointees exert the most influence are more likely to express an intention to leave. For example, in the Department of Defense, which has one of the highest levels of turnover intention, over 75 percent of survey respondents say that appointees exert a great deal or good bit of influence over agency policy.

When capable employees with valuable skills leave federal service, those employees can be difficult to replace if their jobs require experience working in the agency. The consequences of this turnover can be dramatic. For example, as noted in earlier research by Lewis, executive turnover in the Federal Emergency Management Agency influenced the agency’s capacity to respond to Hurricane Katrina and by 2005 the agency suffered from low morale, conflict between careerists and appointees, and persistent vacancies. What can be done to prevent such consequences? Bertelli and Lewis suggest that while agency employees decide to stay or leave their jobs based on policymaking opportunities and the availability of job options in the private sector, the choices of agency senior leaders influence the attractiveness of these factors. By manipulating formal and informal rewards, appointed executives can encourage valued executives to remain in federal service. Such a response to the factors that shape turnover intention is an increasingly important aspect of public management.

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