

Collaborative research examines executive turnover in federal workplaces

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A research partnership represented by the University of Cincinnati, Cincinnati Children's Hospital Medical Center and the Veterans Health Administration (VHA) National Center for Organization Development (NCOD) is examining factors predicting the turnover of senior executives in the federal workplace. It's an area that has not been widely researched, yet it can result in a costly toll on organizations – both financially in replacing senior staff as well as professionally in the loss of the knowledge, skills and strategy-building talent of senior-level management. The project will be presented April 26 at the annual conference of the Society of Industrial and Organizational Psychology in San Diego.

Although executive turnover rates are significantly lower than those for entry and mid-level employees, researchers are examining whether there's a trickle-down effect on middle-level managers and even line-level employees, says Stacie Furst-Holloway, a UC assistant professor in the Department of Psychology.

The project focused on examining turnover and retention rates of senior leaders in the U.S. Department of Veteran Affairs' (VA) Senior Executive Service (SES). The VA places a high investment on identifying, recruiting and retaining these executives who lead the organization's mission of serving veterans. Furst-Holloway says SES employees are the corporate equal to chief executive officers, chief operating officers and chief financial officers.

In recent years, VA experienced a decline in SES turnover and now reports an average turnover rate of 13 percent, with most of the SES turnover, 10 percent, due to retirements, similar to private sector industry executives.

Of those SES employees who leave for non-retirement reasons, turnover is highest among executives who are new to the organization or those with the lowest tenure in VA (i.e., 1-9 years). "This is consistent with research that shows that turnover is highest within the first six-to-18 months of any job, primarily because people realize they don't fit within the culture," says Furst-Holloway. After the initial year of tenure in VA, SES job satisfaction and work group perceptions tend to rise steadily.

When senior executives leave an organization, the impact can be significant, particularly for those left to manage the transition. According to Furst-Holloway, "Our research shows that when senior executives leave, high-level managers and supervisors become less satisfied with their jobs and have greater intentions to leave. This provides some initial evidence of a trickle-down effect and reinforces why the VA's investments in the recruitment and retention of SES are so well-placed." These investments include human capital initiatives addressing candidate job fit, orientation and on-boarding processes, performance feedback, management training and skills development, and executive coaching.

Demand for VA services is anticipated to rise dramatically in the coming years with the aging Vietnam veterans, as well as the influx of veterans from the Persian Gulf wars seeking care. As a result, the human resources sector of the VA is investing in retaining talent and increasing job satisfaction throughout the workforce to continue its excellence in providing care to the nation's veterans.

Provided by University of Cincinnati

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