

PUBLIC MANAGEMENT INSIGHT BRIEF

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MOVING ON: THE COSTS OF HIGH STAFF TURNOVER IN THE CIVIL SERVICE

Lessons for the United Kingdom

The independent UK think tank, the Institute for Government, examined the introduction of the open internal market for jobs, the imposition of a pay freeze and cap from 2010, and the recruitment drive for Brexit roles, and how these have accelerated staff turnover in Whitehall. The report has three guiding questions: Why does Whitehall have such a high staff turnover rate? What are its effects? And how can it be addressed?

The key takeaways from the report are as follows:

- The current levels of turnover are damaging, harming productivity, undermining good policy advice and disrupting projects.
- There is an internal jobs market creating incentives to move, as it is the only way to seniority and higher pay.
- Recruiting and training new staff is expensive, and has associated hard to capture costs associated with the fall in productivity.
- Staff moving roles too quickly undermines the potential for good policy as they leave before they have mastered an area, or before government is able to benefit from their skills.
- Leadership turnover leads to implementation failure and wasted money in projects. For example, the National Audit Office found that the Common Agricultural Policy Rural Payments Scheme had four different senior responsible owners in three years, each bringing different backgrounds, styles, visions and priorities, which made implementation problematic.
- Depth of knowledge and specialism need to be considered as prospects to career progression as opposed to the generalist knowledge that we see today which has created such rapid movement.

This brief is based on the Institute for Government paper *Moving on: The Cost of High Staff Turnover in the Civil Service*.

The problem they address is: why civil servants in the UK change roles more quickly than their equivalents in other countries? What are the impacts of high staff turnover in the civil service? Why has it accelerated in the last two decades? And what mechanisms can be put in place to fix the problem so that government can be more effective?

Their theory for change is that in order to fix institutional amnesia, the civil service needs to replace its current workforce model with a system that values specialist and generalist, as opposed to just generalist, and to reward those who stay in posts, build specialist experience and see through projects.

The paper can be accessed at <https://www.instituteforgovernment.org.uk/publications/moving-on-staff-turnover-civil-service>

Recommendation 1. Reform Pay

The absence of pay progression in-role is the largest obstacle to creating a more stable workforce. It is estimated that the current high turnover costs departments between £36 and \$74 million in excess costs of recruitment, training and lost productivity. Whitehall should introduce targeted pay progression for those that perform well and acquire new skills whilst staying in post.

Recommendation 2. Permanent Secretaries Must be Held Accountable for Reducing Turnover and Publish Workforce Data

To ensure much more oversight and to create a stronger incentive to reduce turnover, senior leaders need to be held accountable for reducing turnover and improving workforce management. Departments should be required to publish key workforce data so as to understand skills and track turnover, tenure and exit causes.

Recommendation 3. Strategic HR Needs to be Implemented

Whitehall needs strategic HR to address things such as long-term staffing needs, corporate culture and succession planning, so that it can sufficiently understand its workforce and subsequently manage it properly. Every department should have its HR Director on its board to ensure it can have a voice and play a key role in the running of the department.

Conclusion

To manage the workforce better, the civil service must create a culture opposite to the one operating currently, which values those who stay in post and build experience in one area as well as those who move around. Consistent leadership, where the people hired take responsibility for the results for the duration of the project, is needed. A basic step to be established is to create processes for succession planning and handover.

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This brief is one of an occasional series of papers highlighting issues of interest in public management. It was prepared by Shauna Kearney.

Other insight briefs produced as part of this series are available at <https://www.ipa.ie/research-papers/insight-briefs.4014.html>