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Generational Challenges in the Hungarian Public Service

RESEARCH CONCEPT

Background

From 1 July 2024, Hungary, as the rotating president of the Council of the European Union, will also hold the presidency of the European Public Administration Network (hereinafter: EUPAN) for a period of six months. EUPAN is an informal network at the expert and political level among EU member states in the fields of public administration and public service, aimed at sharing professional knowledge and experience. In EUPAN, Hungary is represented jointly by the Ministry of Public Administration and Territorial Development and the Ministry of Interior based on the division of governmental responsibilities. Accordingly, the staff of these two ministries jointly prepared the Hungarian presidency program, which prioritises generational management in public service. To facilitate discussions on this topic, the two ministries requested the Department of Human Resources of the Faculty of Public Governance and International Studies at Ludovika University of Public Service (University) to conduct scientific research and to present the research findings at the working group meeting and the directors-general meeting, as well as to prepare related studies.

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Topics

The research has included the following topics:

- the age group characteristics and composition of government administration employees, as well as the continuation of seniority
- the psychological contract
- generational management and employer branding
- development and talent management

Characteristics of the legal, regulatory and HRM environment of the Hungarian Public Service

Countries use different terms to describe public service, and therefore, the definition of public service varies by country.¹ This is also why the ratio of public service employment² relative to the active population in OECD countries shows significant variation (3.7%–33.4%). In countries where public tasks have been outsourced, the proportion of public sector employees is lower.

In Hungary, public service is generally interpreted in both a broader and narrower sense. In the broader sense, public service refers to the public sector, which includes all budgetary institutions. This means that when we use the term *public sector* (public service, government employment), we are referring to all

¹ For further details see PETROVICS 2019b: 86–113; LUDÁNYI 2017: 98–118.

² According to the OECD definition, public service employment includes federal, regional and local government levels, broadly interpreted public institutions, social security bodies and non-profit organisations controlled by public authority (OECD 2019: 86).

budgetary institutions and all individuals in employment relationships within them.³ The number of employees⁴ in budgetary institutions fluctuates between 700,000 and 800,000.⁵ The legal status of employees in the public sector⁶ is highly differentiated. Currently, 19 different legal relationships are recognised. The *narrower* definition of public service covers public administration. This includes government-controlled bodies, local government offices and special status, government-independent (autonomous) administrative bodies. The number of employees in these areas is about 120,000. The legal status of those working here is not uniform; they may hold one of eight different types of employment relationships.

Finally, we increasingly use the concept of *government administration*, which within public administration exclusively refers to the “governmental administrative bodies” under the control of the government (ministries,

³ Employment relationships in budgetary institutions established to perform public tasks [Public Finance Law, Article 3/A, para. (2)]. Government service relationships (Government Administration Act [Kit.]), employment contracts (Labour Code [Mt.]), professional and contractual service relationship (Law Enforcement Service Act [Hszt.]), military service relationships (Soldier Status Act [Hjt.]), public service relationships (Public Service Officials Act [Kttv.]), national defence employee (Law Enforcement Act [Hszt.]), defence employment relationships (National Defence Employees Act [Haj.tv.]), public service relationships established by appointment (Special Status Organs Act [Küt.]), public service relationships established by employment contract (Special Status Organs Act [Küt.]), other relationships (Act on State Audit Office [Üsztv.]), officer cadet relationships (Law Enforcement Service Act [Hszt.]), judicial employment relationships (Judicial Employees Act [Iasz.]), prosecution service relationships (Prosecution Service Act [Üsztv.]), judicial officer relationships (Judge Status Act [Bjt.]), public service relationship (Public Employee Status Act [Kjt.]), health service relationships (Healthcare Act [Eszjtv.]), tax and customs authority service relationships (National Tax and Customs Administration Act [NAV Szjtv.]) and public education employment relationships (Public Education Act [Puetv.]).

⁴ An employed person is a worker who has an employment relationship with an employer and, based on their employment contract or work agreement, is obligated to work at least 60 hours per month on average. For partial months, this is calculated as equivalent to full-month employment based on the specified working hours, and the work is performed in exchange for wages.

⁵ 774,500 in 2020 (Hungarian Central Statistical Office 2020).

⁶ For more on the concept of public service employer see PETROVICS 2017: 48–73.

government agencies, central agencies, metropolitan and county government offices).⁷ The number of government officials employed in these bodies is approximately 70,000. Their uniform legal status is regulated by Act CXXV of 2018 on Government Administration (Kit.). The research focuses specifically on the government officials employed in these bodies.

The Act on Government Administration brought a paradigm shift in the personnel policy of government administration. Although the unified legal regulation was preserved, the role of legal rules has significantly decreased, as the law implemented substantial public law *deregulation* and *decentralisation* of personnel (regulatory and competence) authority. The legislator dismantled the career system, thus eliminating seniority, the classification based on length of service or educational qualifications,⁸ and the merit-based, guaranteed career advancement.⁹ It has abolished the unified professional framework of requirements. The law also eliminated the uniform compulsory further training requirements, program certification and credit point system.

At the same time, the law empowered employers to define the professional requirements for filling positions. Within the salary ranges set by the law, the salary is determined by considering professional abilities, qualifications, experience and performance.¹⁰ The bodies themselves can define the required study points for the mandatory trainings of the reference year, as well as the value of the points for internal training programs.¹¹ Central and territorial

⁷ For further details see HEGYESI–LUDÁNYI 2021: 15–29.

⁸ Government Administration Act, Article 58, paras. (2)–(3).

⁹ The promotion in classification is most similar to job changes. However, job changes, unlike promotion in classification, are not automatic. In such cases, the employer exercises the right to transfer the civil servant from one position to another within the same government administration body. Therefore, it is also possible for the employer to place the civil servant to a position with a higher salary range, which could constitute a career advancement (see Government Administration Act, Article 59).

¹⁰ Government Administration Act, Article 58, para. (1) (b), Article 65, para. (3).

¹¹ Government Decree 338/2019 (XII. 23.) on the Mandatory Training, Refresher Training, Retraining and Public Administration Leadership Training of Government Officials in Government Administrative Bodies, Article 3, para. (4).

government administrative bodies¹² may set the procedure for approving their internally organised training programs in their public service regulations.¹³ Further training no longer has guaranteed career advancement consequences.

Thanks to deregulation and decentralisation, the employer's regulatory authority has increased, which allows for the enforcement of local peculiarities. Government administration bodies create internal rules in their public service regulations in nine areas (for example, codes of practice related to the establishment, modification, termination and cessation of government employment; bans on nepotism and conflicts of interest; and regulations on working hours, rest periods and vacation).¹⁴ In this changed legal environment, organisations autonomously develop their own HRM processes (such as recruitment, selection, career advancement, compensation, evaluation and development). This is not only an opportunity but also a necessity, as the absence of previous legal norms would leave human resource management unregulated.

The old paradigm was based on the fact that the status of civil servants and the conditions of their employment were regulated by legislation, meaning that organisations formed HRM processes within the unified legal framework, and the primary leadership expectation in personnel activities was the implementation of legal provisions and the adoption of employer measures in compliance with these laws. In contrast, the *new paradigm* adopts the conditions of the competitive market sector. Organisational human resource management is only influenced by framework legal norms, while specific rules are defined by internal regulations, guides, or various codes of conduct (KISS 2019).

¹² Regarding the officials of government offices see HEGYESI–JUHÁSZ 2021: 777–789.

¹³ Government Decree 338/2019 (XII. 23.), Article 5, para. (1); Government Decree 568/2022 (XII. 23.) on Metropolitan and County Government Offices and District (that of the Capital City) Offices, Article 14, para. (5).

¹⁴ Government Decree 88/2019 (VI. 23.), Article 19.

Research questions and hypotheses

Examination of age characteristics and composition of employees in government administration and the persistence of seniority

A common characteristic of developed countries is the *aging* of both the general population and the civil service workforce, with aging trends often more pronounced in the public sector than in society as a whole (HAZAFI 2009). As a result, “shaping” the age composition of the workforce is a key challenge not only for the HRM of today, but also for the future. However, the aging process does not affect every country equally, and in some places, the trend has even reversed, with younger employees becoming the majority and older employees decreasing. Each scenario has its advantages: an “aging” organisation values experience, while a “young” organisation tends to excel in digital skills, innovation and motivation (OECD 2021).

Organisations can especially benefit from generational diversity through intergenerational workgroups and mentorship programs. Nonetheless, intergenerational tensions pose significant challenges for HRM, as each generation has distinct ideas about work, methods and show varying attitudes toward hierarchy and technology (HAZAFI-KAJTÁR 2021). Each generation reflects the values of the era in which they grew up. However, studies (LING 2018) suggest that if generational divisions are simplified into two large groups (Baby Boomers + Generation X, and Generation Y + Generation Z), their perspectives on work-related issues are closer than generally thought. Career–life balance, self-fulfilment, job security, financial stability, freedom and flexibility are valued similarly. There is also consensus that professional success requires autonomy, innovation, patience and ambition. These findings indicate that the generational groups share similar values on several essential issues.

The Public Service Official Status Act, enacted after the regime change¹⁵ established the ideal of a protected and distinguished public service, introducing

¹⁵ Act XXIII of 1992 on the Legal Status of Public Servants.

a seniority-based career system. From a labour market perspective, this increased the comparative advantages of public administration over the private sector by offering greater employment protection than general labour laws, along with predictable, guaranteed promotion and salary to those choosing a civil service career. However, the Government Administration Act abolished the foundational institutions of the career system, relaxed employment protection guarantees,¹⁶ eliminated seniority and substantially increased the importance of discretionary employer decisions.

Research questions:

Q1: Is the aging of central government employees consistent across EU Member States, or are there significant differences among countries? If so, what factors explain these differences in generational composition?

Q2: What is the average age and age distribution of central government employees in EU Member States?

Q3: What trends characterise the age distribution in Hungarian government administration, and what has been the outcome of rejuvenation efforts since 2010?

Q4: Does seniority still persist in a latent way with respect to compensation and “classification”?

Q5: Do generational differences exist in terms of preference for a legally protected, rigid system versus a flexible, employer-discretion-based system?

Q6: In Hungarian government administration, what specific values characterise different generations in relation to work, public administration, communication technologies and labour market preferences?

Q7: Are there identifiable differences in the attitudes of Generation Z based on whether they work in government administration, outside it, or are still studying?

Q8: Is it also evident in Hungarian government administration that generational divisions may not be as deep as commonly perceived and can be simplified into two broad groups?

¹⁶ For more on the relaxed protection of employment protection see PETROVICS 2019a: 177–200.

Hypotheses:

H1: The aging of central government employees affects EU Member States similarly; however, each country pursues different strategies for workforce renewal. Despite these differences, common trends are identifiable.

H2: In Hungarian government administration, the main challenge is not attracting young talents but rather retaining them.

H3: The elimination of comparative advantages has adversely impacted the labour market appeal of government administration.

The psychological contract

Since the 1960s, the concept and significance of the so-called *psychological contract* have gained increasing attention in workplace studies. Within the framework of the psychological contract, employees¹⁷ and employers mutually understand and accept both the formal and informal aspects of their working relationship (ARGYRIS 1960). The psychological contract reflects both the explicit and implicit (either written or oral) expectations of employees and employers in their relationship (BAKER 1985).

If an organisation cannot meet its employees' expectations, it will struggle to retain them, and they will eventually leave. Therefore, it is essential to approach the relationship between the organisation and the employee comprehensively, encompassing motivation, organisational incentives and rewards.

This research section aims to examine how the fulfilment or non-fulfilment of the psychological contract affects the motivation, commitment and performance of civil servants working in government administration. The research is based on the understanding that the psychological contract and its fulfilment play a crucial role in shaping employees' workplace behaviour and their attitudes.

The research will employ a questionnaire survey among civil service officials to determine the content and interpretation of the psychological contract and

¹⁷ In this research section, "employee" refers broadly to any employed individual, not strictly the legal category as defined by the Labour Code.

measure workplace satisfaction and commitment. The data will be subject to statistical analysis to identify correlations.

Our goal is to understand how the content and interpretation of the psychological contract develop and change over the tenure of employment and its impact on employees' current workplace satisfaction and commitment. Additionally, we aim to identify any specific characteristics and unique patterns within the public sector.

The results of this research may yield important insights into the relationship between the psychological contract and civil servants' workplace behaviour, helping policymakers better understand and support their employees by developing an appropriate HRM system.

Research questions:

Q1: How do civil service officials perceive their relationship with their employer and any changes concerning this relationship?

Q2: How do civil service officials of different generations view the content and fulfilment of the psychological contract?

Hypotheses:

H1: Civil service officials generally view their relationship with their employer positively; however, certain deficiencies (such as in pay, benefits, or development opportunities) increase the risk of dissatisfaction.

H2: Since their employment began, working conditions and circumstances have generally improved slightly for civil service officials.

Generational management and employer branding (EB)

Employer brand represents a unique value that distinguishes an organisation from its competitors, showcasing the values it upholds as a workplace, what it's like to work there, the expectations for employees,¹⁸ and what the employee can expect in return for their work. The foundation of an employer brand is an employee value proposition aligned with the organisation's culture.

¹⁸ In this research section, "employee" refers broadly to any employed individual, not strictly the legal category as defined by the Labour Code.

A well-developed value proposition serves as a strategic tool, enabling the organisation to stand out among competitors, thus attracting a larger pool of skilled applicants. It can also enhance employee motivation, attract the younger Z and Y generations, and reduce turnover. To retain key employees and attract new talent, organisations must define their brand and craft a value proposition that current and potential employees perceive as part of an “outstanding workplace.” The channels and content through which these values are conveyed – what the employer promises and how these promises are communicated – are also important.

In this study, we will conduct a survey among government officials to determine what makes an organisation truly attractive to them and what drives their satisfaction with a workplace. This includes identifying the elements necessary for effective recruitment and the retention of experienced, high-performing staff. The data will undergo statistical analysis to establish correlations.

Our aim is to identify the unique values of government administrative bodies as employers, showcase the opportunities available to officials, and pinpoint areas in need of development to create an attractive employer brand. Through this study, we hope to reveal steps already taken to shape the employer brand, share best practices and identify unique public sector patterns.

The study’s findings could highlight the workplace and employer needs and expectations of employees within governmental administration, shedding light on potential generational differences. Additionally, the results may indicate HR functions that require development or change to enable the employer to be viewed as an attractive, positively rated workplace.

Research questions:

Q1: What values make government administrative bodies attractive employers for various generations?

Q2: What needs and expectations do officials working in governmental administration have regarding their workplace and the employing organisation? Are there generational differences in these expectations?

Q3: Which HR functions require modification or improvement to enable government administrative bodies to become top-rated workplaces?

Hypotheses:

H1: At government administrative bodies, factors related to working hours and the workplace environment tend to enhance employees' commitment to the organisation and aid retention (H1a), while factors related to benefits and job roles (positions) are less supportive and may even lead to turnover (H1b).

H2: Employees primarily recommend government administrative bodies to others for values such as stability–security, serving the community and prestige.

Training and development

With advancements in human resource management, the necessity of responding to environmental challenges, and the evolving nature of job roles, *development* has become an increasingly crucial area. Since human knowledge, experience and professional expertise are part of an organisation's assets, training and development hold strategic significance within organisations. Furthermore, training and development initiatives assist employees in advancing their careers and achieving their goals, thus turning them into powerful motivational tools. The foundation of human resource development lies in organisational culture and the composition of the workforce.

Adult employees generally have a strong desire for autonomy, as well as for a balance between work and personal life. This desire extends to learning, where they often seek greater freedom and autonomy, especially younger generations who show a strong inclination toward self-improvement. The complex challenges of today's world call for innovative educational and developmental approaches that differ from traditional methods.

Organisations must also respond to environmental challenges. They can do so by supporting high-quality work, preparing employees for continuous change and renewal, and managing organisational knowledge intentionally. For public administration, human resources represent the most critical capital, making the accumulation, retention and sharing of knowledge essential in meeting societal expectations. Internal development processes support organisations in becoming learning organisations. A learning organisation grows not only

from the knowledge of its employees but also positively influences employees' commitment to and motivation within the organisation.

Research questions:

Q1: How do various workplace learning and development methods address the specific needs of different generations?

Q2: How can workplace learning and development respond to the modern challenges facing public administration?

Hypotheses:

H1: Becoming a learning organisation aligns with an employer brand that attracts and retains the most suitable candidates in line with organisational culture.

H2: Workplace learning is increasingly self-directed, with the organisation's role being to facilitate this process.

H3: Training and development methods that consider unique and generational characteristics can effectively respond to a changing environment.

Knowledge transfer and mentoring programs

Reducing the risks of turnover and knowledge loss, as well as preserving knowledge capital, poses a significant challenge for public administration organisations today. Fluctuation, which is also present in public administration, and the resulting knowledge loss have a direct impact on the competitiveness of public administration. Therefore, factors influencing attraction and integration into public service are gaining increasing importance. The onboarding process, in particular, plays a crucial role in determining workplace commitment.

In recent years, several PACSDOP projects have addressed this issue. For example, the project entitled "Public Service Development Establishing Good Governance" (PACSDOP-2.1.5-CCHOP-16-2016-00001), which aimed to facilitate integration into the public service career path by supporting the onboarding of new entrants into administrative organisations. Another relevant initiative is the project entitled "Development of Human Resources in Regional State Administration Bodies" (PACSDOP-2.1.3-CCHOP-15-2016-00002),

which included the training of government window administrators. This project not only aimed to ensure more effective, faster and more standardised professional expectations in case management but also sought to contribute to workforce retention.

The research focuses on examining the methods used for knowledge transfer and onboarding processes within central and regional government administration. A questionnaire survey will be conducted among government administrative bodies to identify which job roles are most affected by turnover.

Our objective is to investigate whether government administrative bodies systematically address succession planning, what tools are used for onboarding processes, how knowledge transfer is implemented, whether mentoring programs are operational, and how mentors are prepared and supported in fulfilling their roles.

Research questions:

Q1: What turnover challenges do government administrative bodies face? What was the extent of turnover in the recent past (2023), and which job roles were most affected by turnover?

Q2: Is there a structured succession planning strategy within the organisation?

Q3: What methods are used by government administrative bodies to transfer knowledge capital?

Q4: What characterises public service mentoring programs (e.g. regulatory level, training, leadership commitment, etc.)?

Hypotheses:

H1: Turnover affects all government administrative bodies, though not to the same extent. Turnover is not inherently disadvantageous, as recruiting new employees brings fresh knowledge and perspectives into the organisation. However, organisational knowledge capital is diminished by turnover, especially in “sensitive” job roles where recruiting replacements is difficult.

H2: The methodology of knowledge transfer is of paramount importance for the efficiency of tasks performed by government administrative bodies.

H₃: Organisation-level mentoring programs that support onboarding can be effective tools for both attracting and integrating new employees while contributing to the systematic transfer of knowledge capital.

Research methods, data sources

The research utilised the following methods:

- document and content analysis
- statistical data analysis
- survey questionnaire
- interviews

We summarised the data requirements and sources needed to answer the research questions in tables, organised by topic. The EUPAN questionnaire, developed collaboratively with experts from the Ministry of the Interior, was completed by experts from EU Member States on questions related to generational management. The *domestic questionnaire* targets civil service officials and leaders within government administration, gathering their views on public administration, careers, values and their preferences in the labour market, among other topics. Statistical data from the Government Personnel Decision Support System (GPDSS) has been used to understand the characteristics of government administration and to identify correlations among them. Relevant literature has provided the theoretical foundation. In addition to the generational research survey, we have conducted in-depth interviews. For the study, we have sought insights into the personal experiences, perceptions and subjective opinions of selected senior executives to help answer our research question.

RESEARCH REPORT

Methodological considerations

This research examines the generational challenges within government administration. For the purposes of this study, *government administration* refers to organisations¹⁹ governed by the Government Administration Act (Kit.) and includes the National Tax and Customs Administration (NAV). The latter is governed by its own regulatory framework under Act CXXX of 2020 (NAV Act on the Organisation of Gambling), as the Government Administration Act does not apply to it, due to its unique legal status within government administration that applies to its personnel.

In line with these definitions, we distinguish between *central* and *regional* levels of government administration. The central level comprises ministries, main government agencies, central agencies and their decentralised offices, while the regional level includes metropolitan and county government offices and their district-level branches.

The term “government administration bodies”, equals state administrative organs, which had been in use before the Government Administration Act (Kit.) came into force. It covers the bodies that had been regulated by the Public Service Officials Act of 2011 (Kttv.) as public administration bodies. Therefore, comparisons of current government administrative data with past public administrative data are feasible since they encompass the same set of organisations. However, it is important to note that government administration does not include local municipal offices, the so-called autonomous state administrative bodies, which are independent of the government, or independent regulatory authorities.

¹⁹ Government Administration Act, Article 2.

In this analysis, we refer to government administration as “public administration”, aligning with the internationally recognised concept of “public administration”.²⁰

The data to be analysed came from several sources: the Government Personnel Decision Support System (GPDSS), OECD data collection (OECD data), and from a survey conducted in the EUPAN countries to study the generation management practices of these countries (EUPAN data).²¹ Past data on the Hungarian context come from the Civil Service Statistical Data System (KSA) and the Public Service Statistical Data System (KÖZIGDATA), both established in the 1990s to support government decision-making by providing the needed data. These systems contain data on public administration bodies governed by Act XXIII of 1992 on the Legal Status of Public Servants (Ktv.) (HAZAFI–SZEKÉR 2021). Since state administration bodies are the same as the government administration bodies covered under the Government Administration Act (Kit.) in addition to the National Tax and Customs Administration (NAV), demographic trends can be analysed by comparing data from both sources.

The research also incorporated electronic *survey data collection* (CAWI – Computer Assisted Web Interviewing), allowing respondents to complete the questionnaire at home or work, which is available as an interactive webpage, with the option to pause and resume as needed. This method automatically consolidates responses into a database, minimising data entry errors.

The above-mentioned method of recording data is highly cost-effective by eliminating the need for interviewers or other expenses (e.g. telephone or printing costs, etc.). Additionally, it is highly *advantageous* that results are

²⁰ Public administration in this context includes government-controlled or supervised organisations at central, regional and local levels but excludes local governments and the broader public sector (e.g. healthcare, education, police, the military and the judiciary).

²¹ Between 1 July and 31 December 2024, during the Hungarian Presidency of the Council of the EU, a survey was carried out as a EUPAN project, to study the generation management practice of the member countries. Data from this research has also been used.

quickly accessible and processable, moreover, answers coming in from different segments can be monitored in real time throughout the data collection period.

However, the main *disadvantage* of this method is that it involves only a certain segment of the population (internet users) in the research. What is more, as in case of every self-completion questionnaire survey, the willingness to answer might be lower, and there can be more people who do not answer every question, thus do not complete the questionnaire.

In this case, however, the fact that all civil service officials under the GAA are active internet users, make the method viable for the entire target population, the entire sampling frame. The Ministry of the Interior distributed the questionnaire to all 77,000 employees, this way we did not have to narrow down the sampling frame, thus eliminating the need for a probability sample. Of the 77,000 individuals contacted, 12,500 completed the survey, and after data cleaning, 12,435 responses were included in the dataset.

Below is the distribution of the *cleaned dataset*. The “fact” column shows the distribution across different characteristics of the whole population, expressed in per mille.

The data collection was *representative*, as each member of the sample population was invited to participate, ensuring an equal opportunity to respond. There were no segment present who had no chance to fill in the survey. With 12,500 valid responses, the maximum margin of error is $\pm 0.8\%$ at a 95% confidence level.

The research also included seven *semi-structured* interviews involving four technical senior leaders (including two system-level leaders) and three political leaders asked to share their day-to-day experience. These interviews provide nuanced insights to complement the data collected from surveys, the GPDSS system, internal documents and relevant literature. These in-depth interviews employed a qualitative methodology and followed the structure of the national questionnaire while considering organisational specifics.

Table 1
The cleaned dataset

	Fact
<i>Gender</i>	
Male	288
Female	712
<i>Birth cohorts</i>	
Born 1995–2009	63
Born 1980–1994	386
Born 1965–1979	490
Born before 1965	60
<i>Public sector tenure</i>	
0–6 years	486
7–17 years	273
More than 17 years	240
<i>Position</i>	
Staff	893
Leadership	107
<i>Type of organisation</i>	
Central	464
Regional	536

Source: EUPAN survey

The key topics were:

- intergenerational cohabitation: generational challenges and opportunities
- knowledge management: loss, retention, generation and sharing knowledge within an organisation
- best practices for attracting and retaining younger employees

Demographic trends

The latest forecasts indicate that *population aging* will continue in the European Union over the coming decades.

The proportion of people aged 80 or older in the EU population may increase two and a half times between 2021 and 2100. However, the rate of aging varies across Member States. In Hungary, the proportion of people aged 65 or older is below the European average, but it is steadily increasing, with a growth rate slightly above the European average. It is also a general phenomenon that aging is more pronounced in the public sector than in other areas of society. Conversely, the public sector has the lowest proportion of young people.

At the same time, the age distribution within the *Hungarian public administration* diverges in several ways from European trends. The proportion of the middle generation is significantly higher, while the proportion of older individuals is lower than the European average. Changes in workforce numbers have affected the age composition of personnel in European states differently. In most states, as workforce numbers grew, the proportion of young people also increased. In contrast, some countries saw declines, and there were cases where both the workforce numbers and the proportion of young people decreased. In Hungary, despite workforce growth, there has been no increase in attracting young people compared to previous years; on the contrary, the proportion of older age groups has increased.

The age composition of the Hungarian public administration workforce is characterised by two opposing trends. In the early 2010s, several government measures aimed at *rejuvenating the workforce* were implemented, including the introduction of the Hungarian Public Administration Scholarship, “mandatory” retirement upon reaching the retirement age, and the option for women to retire early with preferential conditions. As a result of these initiatives, the average age decreased to 42.8 years, with an increase in the proportion of younger employees and a decrease in older employees. However, recent data indicate a shift in this trend: the proportion of young employees has significantly declined, while that of the older generation has increased.

The age composition of the workforce is once again *trending towards an older demographic*. This suggests that within the next 5 to 15 years, the Hungarian public administration will likely face a new wave of retirements – gradual rather than abrupt but considerable in scale. Based on statistical data analysis, it is evident that both attracting and retaining young employees has become increasingly challenging.

Managing generational challenges

Governments can influence demographic trends with an *age-conscious personnel policy*. Thus, it is crucial for governments to recognise demographic shifts and respond strategically to the personnel challenges related to generational management. This strategic approach – or the lack thereof – distinctly differentiates various countries.

Most OECD countries aim to maintain human capacity, employing different strategies to achieve this. A common goal is for the HRM system to better align with the needs of various generations, acknowledging that employees' needs vary across different life stages. A *flexible, long-term work scheduling system (working time framework)* is one tool for accommodating these diverse needs, aiming to extend active employment as long as possible. There are also incentives to retain older generations while they try to attract younger employees by building a public service brand. *New training opportunities* are offered along with *flexible working hours*. Structured knowledge transfer seeks to prevent the loss of implicit knowledge, which is often challenging to articulate and thus to transfer.

Creating an age-conscious personnel policy²² involves at least three areas (BOSSAERT et al. 2012). First, it includes the organisation's *HRM system*, which can only effectively address generational challenges if it is sensitive to age-related issues (age-conscious HRM), in other words, considers specific employment needs associated with different life stages. Second, age-consciousness requires

²² To learn more about present day human resource management policies see HAZAFI–LUDÁNYI 2022: 78–104.

health management that maintains employees' work capacity and well-being throughout their careers. Lastly, age-consciousness also involves a "lifelong career approach" which ensures continuous training and development. These together can increase motivation, job satisfaction and performance across the entire workforce.

An age-conscious HRM requires a *holistic approach* that considers both demographic changes and labour market trends. It regards workforce age as a characteristic (manageable in the long run) and thus seeks to address different employment needs associated with age. Its goal is to foster cooperation between various age groups and maximise workforce potential. Achieving this requires meeting several criteria:

a) *A life cycle approach*: HRM considers the distinct needs and preferences related to employees' life stages, striving to provide suitable working conditions and development opportunities for all age groups.

b) *Managing strengths and weaknesses*: Each generation has strengths and weaknesses. Age-conscious HRM actively leverages strengths while supporting the management of weaknesses.

c) *Supporting measures*: HRM policies include flexible working hours, continuous training, mentoring programs and age-appropriate work environments. These measures aim to support employees' development and satisfaction regardless of age.

d) *Training and development*: Age-conscious HRM emphasises ongoing training and development tailored to the distinct needs of different age groups. Programs should target technological adaptation for older employees while providing career development opportunities for younger employees (BOSSAERT et al. 2012).

e) *Diversity and inclusion*: Age-conscious HRM promotes workplace diversity and inclusion, recognising that employees of different ages bring varied perspectives and experiences that can enrich the workplace culture. Age diversity can also be leveraged to integrate different generational viewpoints into policies and programs, which can better address a wide range of citizen needs (OECD 2021).

Government Personnel Decision Support System (KSZDR) in Hungarian Public Administration

The foundation of government personnel policy is strategic planning, covering succession, training and social dialogue. A prerequisite for effective long-term planning is that data and information about personnel must be available (OECD 2017). Workforce planning considers demographic trends (in terms of both numbers and age composition) in the public workforce (HUERTA MELCHOR 2013).

In Hungary, multiple attempts have been made over the past decades to establish a statistical personnel records system within public administration, but none yielded lasting results. Recently, *data- and fact-based decision support systems* in public service have regained focus in government personnel policy, as changing labour market conditions have intensified the issue that without accurate data the government was unable to predict workforce trends, did not understand public service labour demands, and as a consequence, it was not able to plan the medium- and long-term succession in the public sector and handle the personnel effects of organisational and task changes (HAZAFI–SZEKÉR 2021). After several years of development, the KSZDR was established (HAZAFI – KOVÁCSNÉ SZEKÉR 2021: 67–82). Its information, analysis and evaluation capabilities enable faster, more flexible and well-founded decision-making in human resource management and organisational operations.

The KSZDR can support the government by:

- collecting and storing data on public service organisations, personnel and job structures, and generating reports
- tracking personnel activities and monitoring key personnel characteristics over time, with the ability to compare based on different aspects (e.g. across sectors, types of organisations and hierarchical levels)
- integrating a wide range of data and scientifically interconnected analyses and evaluations into government personnel decision-making
- enabling organisations to use stored data to model changes affecting organisational structures, tasks, job roles and personnel

Labour market preferences

The appeal of government administration in the labour market is influenced primarily by salary, work–life balance, a low-stress environment and job stability, with no significant generational differences observed. The Government Administration Act (Kit.) has eliminated the so-called *comparative advantages* of exactly these factors. Predictable career progression, legally guaranteed salary, heightened employment protection and a planned career path can also be mentioned along with the above listed ones. Government administration employees rated their *material and societal recognition* the lowest.

In a labour market where demand is high, *salary* has become a more significant factor in job selection, especially within a regulatory environment that allows for flexible wage negotiations between employers and civil servants. The wide range of wage negotiation options and the emphasis on salary can create an internal public administration labour market, where civil servants may seek better pay by transferring between ministries or government agencies offering higher salaries. This can lead to salary competition among administrative bodies for skilled professionals, complicating generational challenges at a governmental level since key compensation decisions are made at the ministry or organisational level. Under these conditions, if we consider the logic of the market, organisations with better financial resources are likely to “win” the salary competition. However, it must also be acknowledged that all civil servants are employees of the government, making the government responsible for personnel policies across all administrative sectors, which also applies to addressing generational challenges.

Our correlation analysis indicates a *stable yet weak* relationship between salaries and the age of civil servants. In contrast, within the *Ministry of Defence*, there is a *moderate correlation and significant relationship*. This may be related to the strong influence of military rank-based progression within the organisational culture, which also affects civilian employees. On the other hand, in the Ministry of the Interior, another “uniformed” ministry, results barely differ from the average, meaning the “rank-based approach” does not significantly

influence civil servants. This likely stems from the fact that the Ministry of the Interior covers substantial civilian policy areas in addition to law enforcement. Correlation levels *were significantly higher* in the *Prime Minister's Office* and the *Ministry of European Union Affairs*.

While the Government Administration Act (Kit.) has not only formally abolished seniority within a few years but also reduced its impact on organisational culture, the need for a legally guaranteed career path remains strong among personnel.

Psychological contract

The aging workforce underscores the growing importance of knowledge transfer and experience sharing. Enhancing intergenerational cooperation is essential, necessitating a personnel policy²³ that promotes collaboration between generations and capitalises on the opportunities afforded by age diversity. However, questions arise regarding whether the necessary personnel conditions are in place, how civil servants perceive their relationship with their employer and its evolution, and how they assess the fulfilment of their initial expectations of their employer, often referred to in the literature as the “psychological contract”.

We started with the assumption that civil servants generally view their relationship with their employer positively, though certain deficiencies (in salaries, benefits, development opportunities) increase the risk of dissatisfaction. On the other hand, we hypothesised that, since their initial employment, there has been minor improvement in their working conditions and circumstances

To explore generational differences, we used the concept of the *psychological contract* as a framework to evaluate various attitudes and work-related expectations. According to academic literature, a psychological contract is an implicit agreement (a set of expectations) between employer and employee,

²³ To learn more about present day human resource management policies see HAZAFI–LUDÁNYI 2022: 78–104.

encompassing the (often unspoken) expectations both parties have of each other. These expectations typically relate to job content, career opportunities, personal development options, income, work–life balance, the social environment and support, and job security. In exchange for these expectations, employees offer personal commitment as their “contribution” (DE VOS et al. 2011).

Research suggests that these factors often become points of contention between different generations. Significant differences exist between generations in terms of career prospects, flexibility, professional ethics and loyalty (DEAL 2007). However, it is also essential to recognise that sometimes these differences are only apparent, masking underlying similarities. For example, regardless of age, everyone needs respect, values a sense of identity and appreciates belonging, making the psychological contract a useful framework for identifying what unites generations and the added value intergenerational cooperation can bring to an organisation (DE VOS et al. 2011).

The findings of the study confirmed that various factors affecting work significantly affect civil servants’ attitudes and motivation. Most highly valued are *predictability* and the *handling of human relationships*. Respondents rated “predictable work”, “long-term planning”, “honest conflict management” and “human relations” as either “very important” or “somewhat important”. When selecting a workplace, they prioritise workplace stability.

There are no major generational differences in these views, indicating that all staff members, including Generation Z, regard public service as a career and view their employment as a stable, enduring commitment. This is an important observation because younger generations are often characterised by a willingness to change jobs quickly if they are dissatisfied (MERETEI 2017).

Emphasis on human relations suggests that public service employees are highly human-oriented, and organisational structure and task systems are less significant to them. As noted in the “human relations” performance motivation model, “recognition, security, meaningful human connections and prestige are at least as important to employee performance as financial incentives and working conditions” (MERETEI 2017). Consequently, their performance is less enhanced by “Taylorist” methods, which “break work processes down into

small, easily learned tasks, develop the most rational methods for these tasks, and encourage quicker task completion” (JENEI 2004).

At the same time, respondents feel that civil servants are not sufficiently *recognised financially or socially*, and they rate predictable *career opportunities* as only moderate. This poses a risk given the high importance they place on stability and predictability, as one of their critical expectations remains unfulfilled in their perceptions of public administration. If experiences reinforce this negative “prejudice”, the lack of predictability, stability and career opportunities could become a breaking point in the psychological contract.

Baby Boomers rate stability, predictability and career prospects of public administration the lowest. Likely, this is due to their status as the oldest generation, having witnessed the most organisational changes and downsizing and experienced existential insecurity. In contrast, Generation Z holds the most positive views on these aspects, likely due to their limited experience and opinions shaped mainly by hearsay.

Both *individual* and *organisational goal* achievement are rated as highly important, aligning with the prioritisation of stability and predictability. However, common organisational goals are seen as more important than individual ones, indicating a strong identification with organisational objectives and a desire to contribute to the organisation’s overall success. This likely reflects the culture of public administration, where assertiveness, personal career goals and consistent follow-through are less characteristic of the civil servant’s attitude. Organisational culture does not naturally support the management of individual goals by leadership or provide feedback on individual performance. Individual success depends more on organisational and community performance than personal ambition.

However, *loyalty to leadership* has increasingly become a determining factor in individual success. Over the past 14 years, organisational identity has been supplanted by personal loyalty to leaders. This means that when leaders “move” within the system, they often bring their subordinates with them. While this allows leaders to work with trusted subordinates and “filter down” their working methods and knowledge through colleagues, it also leaves

significant knowledge gaps where “teams” have departed.²⁴ However, it has to be added that the Government Administration Act (Kit.) has created the ideal legal environment for maintaining personal connectedness that leaves a wide opportunity for employers to determine wages.

However, there is a slight paradox here in that civil servants undervalue legally *guaranteed, standardised pay* and prefer performance-based, differentiated remuneration based on individual abilities. This likely reflects an aversion to uniformity and equalisation represented by “legally guaranteed, standardised pay” (HAZAFI 2025).

In terms of *commitment* to workplace and profession, there are significant generational differences. The Baby Boomer generation shows the highest level of commitment, and as age decreases, commitment declines. However, there are much smaller differences between generations when it comes to commitment to colleagues and leaders (STRÉHLI – PAKSI-PETRÓ 2025).

Data show that in both *managerial* and *subordinate* roles, most respondents consider factors like organisational goals and human relationships important. However, leaders place greater emphasis on human relations than subordinates. Leaders see performance-based remuneration as more important, while subordinates find legally guaranteed standardised pay more appealing. Both groups view honest conflict management as essential and value long-term planning.

Based on factor analysis, we identified three distinct civil servant attitude patterns. The first, associated with organisational stability, communal goals and central control. Those, who are characterised by this pattern, consider belonging to a community, realising the goals of the organisation and a stable, well-structured workplace important. We labelled them “Stronghold”. “Civil servants exhibiting this pattern are highly beneficial to the organisation as they provide the stability and predictability essential for organisational operations. As they are committed to realising community aims and long-term plans, they provide a strong support in maintaining organisational structures and ensuring efficient operation. “Strongholds” cope easily with strict rules and firm leadership,

²⁴ For details on the strengthening loyalty towards leaders see the in-depth interview with the leader responsible for system management.

thus they support the steady, continuous operation of the organisation, which is an expectation especially in organisations of the public administration”.

We named the second attitude pattern “Liberals”. “Individuals in this group prefer weak control and flexibility, dislike long-term planning and stability, and are less interested in communal goals. They favour non-permanent solutions to individual relationships and perform well in loosely supervised environments without close leadership control. These individuals are valuable to the organisation in situations where flexibility is needed, and when strict rules or hierarchy would hinder operation. As they are not attached to rigid plans, they adapt easily to changing environments and respond quickly to short-term goals or crisis situations”.

The third pattern, named “Survivalists”, encompasses those who “prioritise livelihood, guaranteed salary and predictable employment. They are not motivated by personal goals or renewal, seeking stability and benefits independent of performance. “Survivalists” are reliable, steady workforce, who do not seek innovation, but they do not fail to complete their tasks in a reliable manner. They thrive in stable, predictable work, which is important for an organisation in the long run when dealing with tasks requires stability and precision”.

In relation to the civil servant – employer relationship, it is notable that nearly half of the workforce feel disappointed with the promises regarding material recognition, about a third feel their work is unfairly assessed, and nearly a quarter believe they cannot count on a secure future in their organisation. These combined factors pose a significant risk as they may cast doubt on the psychological contract for those feeling such dissatisfaction. In other words, a promise made in the past is superimposed on a sense of injustice in the present, perceived as unfair, and a sense of hopelessness about the treatment of remuneration and future security. Taken together, they thus carry a considerable risk, as they may call into question the sustainability of the psychological contract in the circle of individuals mentioned.²⁵ Younger generations are less

²⁵ The respondents rated three factors the lowest, which negatively influence their expectations for the future and could therefore become breaking points in the psychological contract. These statements were: “I receive the salary and benefits I expected upon joining”; “My

pessimistic. However, the picture is nuanced by the fact that 62.5% of those surveyed believe that “my employer respects the conditions I set when I started work”. The younger the generation, the more likely they are to feel that their employer keeps its promises.

The Generation Z cohort reported the most positive experiences regarding maintaining a work–life balance. Their generally favourable assessments were also evident in other areas, such as support for professional development, overtime compensation and a good workplace atmosphere. The younger the age group, the more positively they rated the support they receive from leadership. This favourable outlook among young employees is likely tied to their relative lack of experience. Conversely, the Baby Boom and Generation X groups expressed the strongest attachment to their jobs, indicating they would find it hardest to leave their current positions.

Regarding changes since starting work, the majority of respondents stated that there had been no significant change, particularly in areas related to professionalism and opportunities for professional development, with nearly two-thirds indicating no change in these areas. Additionally, about half of the respondents felt that support for individual ideas and initiatives, interdepartmental collaboration, and responsible work practices had also remained the same since they started working. This reflects the common perception that public administration is characterised by both *change* and *constancy*. By age group, Generation Z views the situation less negatively, with the highest proportion of respondents in this group believing that work professionalism has improved, support for individual ideas and initiatives has increased and development opportunities have expanded.

Older employees (particularly Baby Boomers) view the changes in the technological support for work processes far more favourably, with 42% reporting improvement, while Generation Z remains significantly more critical. Over

contributions and performance are recognised and valued within the organisation”; and “I feel that I have a secure future within the organisation.” These statements received ratings of 1 (“does not reflect reality at all”) or 2 on a 6-point scale from 45%, 31.8% and 23.5% of respondents, respectively.

half of Generation Z respondents believe there has been no progress, and 15% even think the situation has worsened.

Overall, our research findings confirmed our assumption that officials generally have a positive view of their relationship with their *employer*. However, they place high importance on *stability* and *predictability*. From this perspective, it poses a considerable risk that employees rate their financial and social esteem as low and their career opportunities as only moderate. Among older employees, the lack of stability and predictability has further eroded their sense of security. These factors may test the strength of the “psychological contract”.

Generational management and employer branding

According to previous studies, entering public administration often does not occur after careful consideration; rather, individuals tend to choose this path based on spontaneous personal impressions, current life circumstances, or by following the example of others (BELÉNYESI et al. 2018). Still, we believe that with public service increasingly becoming a lifelong profession, conscious *career selection* is gaining importance. Thus, we explored which *values* make government agencies appealing employers for different generations. We also sought to identify the expectations officials have of their workplace and whether generational differences can be detected in these expectations. We outlined the HR functions whose development could most effectively help government agencies become top workplaces.

Our research began with the hypothesis that in government agencies, factors related to work hours and the work environment, atmosphere are more likely to strengthen employees' *commitment* to the organisation and aid retention, whereas factors related to benefits and job roles (position) tend to support turnover. Employees recommend government agencies primarily for values such as stability–security, public service and prestige.

Employees in government administration generally consider salary and benefits, work–life balance, a stress-free work environment and job stability the most important factors when *choosing a workplace*. In contrast, they regard the

employer's reputation, opportunities to use modern technologies, or creative and innovative work as less important. No major generational differences were observed.

Across all age groups, the majority (75–80%) consider *good cross-generational cooperation* at the workplace important.

Most respondents perceive *differences in generational mindsets*, with some noting that these differences can lead to conflicts. Different generations may not understand each other, holding distinct values, which is especially evident in communication styles and work attitudes. Differences are also observed in competencies, such as flexibility, dedication, loyalty, willingness to learn and stress tolerance. Often, they behave in a different way. Young people are seen as more dependent on their phones, less inclined to greet others and less likely to observe basic dress and behaviour standards. They struggle with adaptation and often lack humility. The biggest conflict arises from pay discrepancies between generations. New hires often enter the organisation with proportionally higher salaries, sometimes based on connections rather than qualifications. Compensation inequities can also create tension within the organisation, not only due to generational issues (new hires vs. old staff) if the pay determination process lacks fairness.

A *fair compensation system* meets three criteria: it provides appropriate pay levels, the employer follows a fair procedure in setting pay, and the requirements of accountability and transparency are met. The *first requirement* ensures that pay reflects the work's proportional contribution to the organisation's goals. It should follow the characteristics of the position and express the official's performance, offering compensation attractive enough to retain and recruit talented young people. The *second requirement* is that pay determination follows a stable framework and is based on factual evaluation rather than subjective considerations. Pay must reflect the role of the organisation within public administration and account for the wage gap between leadership and subordinates. The *third requirement* is transparency for citizens regarding employee pay (Hutton 2011).

Responses indicate that the current pay system is not motivating, as it allows positions to remain stagnant if the employer so decides. It *lacks transparency* and “fairness”, failing to reflect the actual work performed. “In some of the counties more wage is given for the same amount (in some cases for a job involving a lot less work) of work (according to the reasoning, in these regions the private sectors offers higher wages as well) [...] there are significant differences in the wage of the officials of government agencies, district offices in different counties. In underdeveloped regions, wages are unrealistically low. Banded pay generates tension due to unequal pay among employees within the same band, determined in subjective, non-professional way”. The biggest *challenge* of the Government Administration Act (Kit.) lies in how government agencies, as employers, can implement a pay system in line with the mentioned principles (HAZAFI–LUDÁNYI 2022: 78–104).

The responses highlight *strengths* that can form the basis of employer branding: predictable scheduling, encouraging leadership, a motivating workplace atmosphere and reimbursement for commuting expenses. Certain factors were clearly identified as areas of dissatisfaction among respondents, including the informal “prohibition” of remote work (perceived as not quite available by 81% of the respondents), competitive pay (perceived as not quite available by 77% of the respondents) and the lack of welfare benefits (perceived as not quite available by 75% of the respondents).

The most important takeaway regarding branding is that *anomalies in the pay system* not only affect the employer’s reputation but also hinder both individual and organisational performance. The “fairness” of compensation is one of the most critical motivational factors. Employees become demotivated and disillusioned if they feel that the principle of fairness is violated. In career systems, “fairness” is guaranteed by rules on classification, advancement and pay that apply to everyone equally. In these systems, fairness is often compromised due to the lack of differentiation. Even though roles (positions), competencies and individual performances vary, thus differentiation has to be ensured as it is essential to fairness. This is typically achieved by reducing regulatory restrictions and expanding employers’ discretionary power. However, discretion is not the

same as subjectivity; discretion is legally bound in the sense that the legislating body specifies the considerations and boundaries (FAZEKAS–FICZERE 2002).

The Government Administration Act (Kit.) grants employers discretionary power regarding *pay determination*. It requires employers to set salaries within legally defined ranges while considering professional skills, qualifications, experience and performance.²⁶ However, the regulation does not specify how professional skills, qualifications, experience and performance should be considered. Therefore, employers must develop procedures to ensure that these criteria are genuinely reflected in pay determination, applying the fairness principles already discussed.

Learning and development

Ensuring continuous development and supporting lifelong learning also influence an employer's attractiveness. We hypothesised that a *learning organisation* is part of an employer brand aimed at attracting and retaining the most suitable people who align with the organisational culture. Workplace learning is increasingly self-directed, with organisations able to respond to a changing environment through training and development methods that consider unique and generational characteristics.²⁷

The literature extensively addresses generational differences, especially since Generation Z entered the labour market, as these differences have become more distinct. From a development strategy perspective, the defining *traits of Generation Z* are as:

- digital generation
- strong visual orientation
- heightened work–life balance expectations
- more explicit needs articulation (occasionally expressed via online platforms)
- demand for rapid professional development opportunities

²⁶ Government Administration Act, Article 65, para. (3).

²⁷ See more in KAJTÁR–MAGASVÁRI 2025b.

- less respect for hierarchy (even in learning situations)
- shorter attention span
- increased need for feedback
- strong influence from peer groups
- pronounced need for impact and value creation

Workplaces must recognise and address these differences within their *development strategies*. The younger generations' specific traits can generally be addressed through trainings that incorporate digital tools, visual presentations, flexibility, support for professional development, multidirectional learning (vertical, horizontal), content broken into smaller learning units and feedback.

The *Scientific Council for Internal Affairs* has been examining generation-specific teaching for several years and has determined that a generation-specific teaching methodology is warranted in law enforcement training.²⁸ However, domestic practice in public administration has not yet aligned workplace development systems with the needs of different generations. At the same time, international practices also show delays. EU member states rate the management of generational differences in training and development slightly below average.²⁹

Mentoring and *coaching* are considered adaptable tools for addressing generational needs. The primary difference between generations lies in their relationship to *digital tools*, so a generationally aware development system should provide ample opportunities for digital tool use. *Forums* (such as interactive in-person training and professional events) where the members of different generation can share their experience facilitate knowledge sharing between

²⁸ Exploring the Possibilities for Establishing and Implementing Generation-Specific Teaching Methods – Integrating the Psychological Characteristics and Needs – e.g. continuous feedback, motivating with rewards, supporting the process of coming to age – of Generation Z and Alpha into the Law Enforcement Training and Development System (SABJANICS 2018).

²⁹ In the international EUPAN questionnaire, on a 6-point scale (where 1: not at all, 6: completely true), Hungary did not mark "1" at all. Considering the average score among EUPAN member states this was not exceptional (the value 2.75 is not lower due to the three outstanding marks).

generations. This type of cooperation enhances community cohesion. The most wide-spread form of development is *training*.

Among younger employees, autonomy and freedom are highly valued, opening opportunities for *self-directed learning* in the workplace. Methods for this include Google searches (databases) and information gathering through social networks, YouTube, podcasts and other platforms. However, using these tools for development purposes is uncommon in Hungarian public administration. This method is not supported by employers either possibly due to the challenge they face in filtering and verifying information sources. Nevertheless, individual learning – within a learning organisation framework, incorporating dialogue, critical thinking and reflection – is a valuable development approach (RUPČIĆ 2024: 105–129), with a potential that should be harnessed with safeguards and conditions for effective implementation.

Personalised development is important for all generations. This means that trainings take into account individual knowledge levels, learning speeds, interests, needs and requirements. Bite-sized learning and micro-certificates for short training sessions are particularly valued.

Another increasingly common development method, addressing burnout, is a “sabbatical” leave of several months, which allows individuals to reflect on their plans, invigorate their career aspirations, or build new professional and personal relationships. This form of professional personal development not only supports professional development but also satisfies the fundamental need to “be with oneself, in depth, and at peace”.³⁰ We would like to note that Act

³⁰ Since 2018, the Aquinói Szent Tamás Ökumenikus Közéleti Akadémia has offered a ten-month training program that allows students to deepen their knowledge in Hungarian literature and history, sociology, economics, theology, religious studies, science, engineering, communication, strategic thinking, self-awareness and social relationships through mentorship and notable guest lecturers. Participants focus on consecutive topics for 3 weeks, and the program also includes travel across the Carpathian Basin, community, spiritual and cultural programs, as well as the residential college system. The academy’s fundamental principle is that community life greatly impacts individual growth, thus the program is offered in a residential format. The venue in Piliscsaba provides the opportunity for the participants to immerse themselves in their studies and distance themselves from their everyday life (777 2023).

XXXVI of 2001 introduced the six-month-long recreational leave, however, it appears to have been premature, and it has not found its way through the system of human resources.

In summary, we can state that training diversification is necessary to meet the differing generational needs. Training packages should be developed in a manner to allow every generation to find development programs suitable for their age, life situation and job position. Personalised development is in demand among all generations. Responses – suggestions, criticisms and best practices – emphasise training (pro bono and others), knowledge sharing, mentoring and coaching.

In today's evolving world, workplace learning is a continuous need. *Alternative educational and development methods* are increasingly valued. There is a pronounced need for flexible schedules, online interactions, informal feedback and self-directed learning. The role of soft skills, innovation and creativity is also becoming more prominent. These challenges are being addressed rather slowly by the domestic system. Although the demand for self-directed learning is high, opportunities remain limited, with employers still acting more as directors than facilitators. Individual development efforts need improvement. This way development and training can become a crucial element of employer branding.

Our research findings confirmed our hypotheses. The learning organisation is an integral part of an employer brand that aligns with organisational culture. However, *training diversification* is necessary to meet generational needs. Training packages should be developed in a manner to allow every generation to find development programs suitable for their age, life situation and job position. Personalised development is in demand among all generations.

Knowledge transfer and mentoring programs

Reducing turnover and mitigating knowledge loss have become significant challenges for public administration organisations. Turnover not only disrupts operational continuity but also leads to the loss of valuable institutional knowledge, impacting overall efficiency and competitiveness. Knowledge

management plays a crucial role in addressing these challenges, particularly through effective knowledge transfer processes and structured onboarding programs. In recent years, several projects, such as the PACSDOP 2.1.5 and PACSDOP 2.1.3, have emphasised the importance of supporting new public service entrants through structured onboarding and mentoring initiatives. These programs aim to facilitate organisational integration, reduce turnover and preserve knowledge capital.

Turnover poses a significant risk to public administration, affecting both younger and older generations of employees. Recent data from 2023 highlight the variability in turnover rates across government offices, ranging from 7% to 30%, with an average employee flow rate of 23.5%. Specific roles, such as government window administrators, public employment staff and technical experts, are particularly vulnerable to high turnover rates. This variability demonstrates that turnover is not evenly distributed but heavily concentrated in “sensitive” positions where replacing skilled employees is especially challenging.

The impact of turnover on knowledge capital is twofold. Explicit knowledge – structured, transferable information such as processes, regulations and guidelines – can be preserved through documentation and digital systems. However, tacit knowledge, which stems from personal experiences, relationships and expertise, is far more difficult to transfer. The loss of experienced employees, particularly those in the 51–60 age group, highlights the challenge of retaining institutional memory. Simultaneously, younger employees in the 23–28 age group are also at high risk of turnover, undermining efforts to build a stable talent pipeline.

The study explored methods used by government organisations to facilitate knowledge transfer and integrate new employees. Key practices include:

- assigning mentors to support onboarding (reported by 32% of respondents)
- providing written briefings on organisational processes and regulations (23.5%)
- offering short internal training sessions to familiarise new hires with their roles

Despite these efforts, the study revealed that knowledge transfer often lacks a structured approach. Only 9 out of 20 regional government offices reported having a formal succession strategy, while central government ministries demonstrated even less consistency. Interviews with leaders underscored the reliance on ad hoc methods, driven more by organisational traditions and individual leaders' decisions than by formalised policies. The absence of unified onboarding processes across public administration highlights a critical gap in knowledge management.

Mentoring programs have emerged as effective tools for facilitating knowledge transfer, particularly during onboarding. These programs address the knowledge gaps created by turnover and support the integration of new employees. In regional public administration, mentoring initiatives have been more systematically implemented compared to central government offices. For instance, several regional offices have formal mentoring programs outlined in their organisational policies, lasting typically 5–6 months. Mentors play a key role in supporting new hires by transferring both explicit and tacit knowledge while fostering workplace integration.

However, the study identified several challenges in the implementation of mentoring programs. While mentors are often assigned to new employees, they frequently lack formal training to carry out their roles effectively. Additionally, mentoring responsibilities are not always formally recognised or rewarded, limiting their long-term sustainability. The findings also revealed that in central administration, mentoring remains largely informal, with senior colleagues or leaders providing ad hoc support to new hires.

Three key hypotheses guided this research:

Turnover affects all organisations but to varying degrees.

The study validated this hypothesis, demonstrating that turnover is widespread but unevenly distributed. While turnover can bring fresh perspectives and knowledge into organisations, it poses a significant risk to critical roles, particularly in technical and administrative fields.

Effective knowledge transfer is essential for organisational efficiency.

This hypothesis was partially validated. While leaders recognise the importance of knowledge transfer, the methods used remain inconsistent. Structured onboarding and mentoring processes are essential but often lack formalisation and support.

Mentoring programs are effective tools for onboarding, retention and knowledge transfer.

The study confirmed that well-implemented mentoring programs can play a pivotal role in attracting, integrating and retaining talent. Regional government offices have made progress in institutionalising mentoring, but central government ministries lag behind. There is also a clear demand for formalised mentoring programs, as evidenced by survey respondents' feedback.

Knowledge transfer and mentoring programs are critical tools for addressing turnover and preserving institutional knowledge in public administration. While regional government offices have demonstrated progress in implementing structured mentoring programs, the central administration still relies heavily on informal practices. A more unified approach to onboarding, combined with formal mentoring programs and training for mentors, can significantly enhance the retention of talent and the transfer of both explicit and tacit knowledge.

The research highlights the need for public administration organisations to prioritise structured onboarding processes, invest in mentoring programs, and develop succession strategies. By addressing these challenges, public administration can better manage turnover, retain institutional knowledge and ensure long-term organisational efficiency.

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