Get in the Game: Understanding Today's Workforce Playing Field

Center for State and Local Government Excellence
National Association of State Personnel Executives
Tuesday, July 24, 2018
Webinar Presenters

Gerald Young
Senior Research Associate
Center for State and Local Government Excellence
gyoung@slge.org / @GeraldYoungSLGE

Leslie Scott
Executive Director
National Association of State Personnel Executives
lscott@csg.org / www.naspe.net
Center for State and Local Government Excellence

Promote excellence in local and state governments so they can attract and retain talented public servants.
Center for State and Local Government Excellence

- Workforce demographics and development
- Public sector retirement benefits
- Health and wellness benefits
SLGE / IPMA-HR / NASPE
Workforce Survey Series

• Initial survey in 2009 on state/local workforce and the recession
• Larger trends in recruitment, retention, benefits, and other key workforce issues
2018 Survey Results
State agencies only

• Employment/compensation cuts have slowed
• Recruiting is becoming more difficult
• Flexibly employment practices prevalent
• Benefit changes focused on employee contributions
Recent Employment Actions

- Hired employees: 87%
- Hired contract or temporary employees: 56%
- Re-employment of retired govt. staff: 33%
- Broad-based pay increases: 31%
- Narrow, position-specific increases: 31%
- Travel or training restrictions: 22%
- Layoffs: 20%
- Hiring freezes: 18%
- Furloughs: 11%
- None: 9%
- Early retirement incentives: 7%
- Pay freezes: 7%
- Other: 4%
- Pay cuts: 0%
Recent Employment Actions

- Hired employees: 87%
- Hired contract or temporary employees: 56%
- Re-employment of retired govt. staff: 33%
- Broad-based pay increases: 31%
- Narrow, position-specific increases: 31%
- Travel or training restrictions: 22%
- Layoffs: 20%
- Hiring freezes: 18%
- Furloughs: 11%
- None: 9%
- Early retirement incentives: 7%
- Pay freezes: 7%
- Other: 4%
- Pay cuts: 0%

Up from 70% in 2015
Employment Actions: Trend

- Hiring freezes
- Pay freezes
- Furloughs
- Layoffs
- Pay cuts
Overall Employment

Hard to Fill Positions

- Health care: Nursing: 42%
- IT: Other: 38%
- IT: Network administration: 31%
- IT: Web development: 29%
- Accounting: 27%
- Corrections/jails: 27%
- IT: Support: 24%
- Health care: Mental health professionals: 24%
- Health care: Physicians: 24%
- Human services: 22%
- Engineering: 16%
- Other: 16%
- Health care: Other: 16%
- Skilled trades: 13%
- Equipment operators/drivers (CDL): 11%
- Management (mid-level): 11%
- Business and financial operations: 11%
- Policing: 9%
- Emergency dispatchers: 9%
<table>
<thead>
<tr>
<th>Position</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office and administrative support</td>
<td>18%</td>
</tr>
<tr>
<td>IT: Other</td>
<td>16%</td>
</tr>
<tr>
<td>Health care: Nursing</td>
<td>13%</td>
</tr>
<tr>
<td>Health care: Physicians</td>
<td>11%</td>
</tr>
<tr>
<td>Other</td>
<td>11%</td>
</tr>
<tr>
<td>IT: Web development</td>
<td>9%</td>
</tr>
<tr>
<td>IT: Network administration</td>
<td>7%</td>
</tr>
<tr>
<td>IT: Support</td>
<td>7%</td>
</tr>
<tr>
<td>Health care: Other</td>
<td>7%</td>
</tr>
<tr>
<td>Accounting</td>
<td>4%</td>
</tr>
<tr>
<td>Corrections/jails</td>
<td>4%</td>
</tr>
<tr>
<td>Health care: Mental health professionals</td>
<td>4%</td>
</tr>
<tr>
<td>Skilled trades</td>
<td>4%</td>
</tr>
<tr>
<td>Equipment operators/drivers (CDL)</td>
<td>4%</td>
</tr>
<tr>
<td>Building and grounds cleaning</td>
<td>4%</td>
</tr>
<tr>
<td>Interpretation and translation</td>
<td>4%</td>
</tr>
</tbody>
</table>
Hard to Fill Positions: Trend

- Information technology: 40%
- IT: Other: 38%
- IT: Network administration: 31%
- IT: Web development: 29%
- IT: Support: 24%
- Health care: Nursing: 17%
- Engineering: 15%
- Skilled trades: 10%

Years: 2009, 2012, 2015, 2018
Hiring: Trend
Compared to the prior fiscal year

More people than it did the previous year: 39%
The same number of people it did the previous year: 25%
Less people than it did the previous year: 18%
Skills Sought

- Interpersonal: 70%
- Technology: 68%
- Written communications: 66%
- Management: 50%
- Public speaking/presentations: 34%
- Finance: 30%
- Other: 23%
- Social media: 16%
Flexible Employment Practices

- Flexible work hours: 64%
- Flexible schedule (e.g., 4 days, 10 hours): 62%
- Regular telework for eligible positions: 40%
- No flex work practices are offered: 24%
- Job sharing: 18%
- Other: 7%
Flexible Employment Practices

- Flexible work hours: 64%
- Flexible schedule (e.g., 4 days, 10 hours): 62%
- Regular telework for eligible positions: 40%
- No flex work practices are offered: Up from 6% in 2016 (24%)
- Job sharing: 18%
- Other: 7%
Separations

- **Layoffs**
  - Higher than the year before: 33%
  - Lower than the year before: 33%
  - Same as the year before: 33%
  - Don't know: 8%

- **Quits**
  - Higher than the year before: 33%
  - Lower than the year before: 5%
  - Same as the year before: 33%
  - Don't know: 5%

- **Retirements**
  - Higher than the year before: 43%
  - Lower than the year before: 10%
  - Same as the year before: 21%
  - Don't know: 6%
Retirement Planning: Of retirement-eligible employees

- Postponed their retirement
- Accelerated their retirement date

- 2009: 46%
- 2012: 33%
- 2015: 40%
- 2018: 20%
Changes in Retirement and Health Benefits, Compared to the Prior Year

- Health (for employees and retirees)
- Retirement

2009: 33% (Health), 49% (Retirement)
2012: 62% (Health), 64% (Retirement)
2015: 75% (Health), 41% (Retirement)
2018: 56% (Health), 27% (Retirement)
Retirement Changes

- Increased employee contribution
- Increased age & service req. for normal retirement
- Decreased pension benefits
- Replaced a defined benefits plan with a hybrid plan
- Increased employer contributions
- Replaced a defined benefit with a DC plan
- Other
- Reduced/eliminated cost of living adjustments
- Decreased employer contributions to DC plans
- Instituted auto-enrollment in suppl. DC plans

New employees
Current employees
Retirement Changes for New Employees: Trend

- Increased employee contribution
- Decreased pension benefits
- Increased employer contributions
- Replaced a defined benefit with a DC plan
- Other
- Decreased employer contributions to DC plans
Impact of Cuts?

2.9%

Private sector wage of new hires (prior to being hired by state/local government)

Authors of brief: L. Quinby, G. Sanzenbacher, and J. Aubry (BC-CRR)
Are your employees financially prepared for retirement?

- Yes: 33%
- No: 28%
- Don't know/No response: 33%
Are your employees financially prepared for retirement?

- Yes: 33%
- No: 28%
- Don't know/No response: 40%

Does your agency offer financial literacy programs?

- Yes: 40%
- No: 19%
- Don't know/No response: 41%
Do you feel the compensation you offer is competitive with the labor market?

**Wages:**
- Yes: 69%
- No: 26%
- Don't know/No response: 5%

**Benefits:**
- Yes: 17%
- No: 7%
SHARE OF TOTAL COMPENSATION

Source: State and Local Government Wages and Salaries, Health, and Defined Benefits for All Occupations; Cost per hour worked.

<table>
<thead>
<tr>
<th>Employee Retention and Development</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exit interviews</strong></td>
</tr>
<tr>
<td>Employee development: In-house training</td>
</tr>
<tr>
<td>Wellness programs: Informational</td>
</tr>
<tr>
<td>Recognition programs</td>
</tr>
<tr>
<td>Leave benefits: Sick leave banking/donations</td>
</tr>
<tr>
<td>Employee development: Leadership development</td>
</tr>
<tr>
<td>Onboarding program</td>
</tr>
<tr>
<td>Employee development: Funds for training/tuition</td>
</tr>
<tr>
<td>Mentoring</td>
</tr>
<tr>
<td>Leave benefits: Paid family leave</td>
</tr>
<tr>
<td>Employee development: Career paths/career ladders</td>
</tr>
<tr>
<td>Employee satisfaction surveys</td>
</tr>
<tr>
<td>Merit-based salary increases</td>
</tr>
<tr>
<td>Leave benefits: Consol. annual/personal/sick leave</td>
</tr>
<tr>
<td>Wellness reimb. (e.g., gym, smoking cessation)</td>
</tr>
<tr>
<td>Wellness programs: On-site fitness facilities</td>
</tr>
<tr>
<td>Transit benefits</td>
</tr>
<tr>
<td>Employee skills assessments/personality inventories</td>
</tr>
<tr>
<td>Collaborative/distributed leadership</td>
</tr>
<tr>
<td>Community support (volunteer, matching donations)</td>
</tr>
<tr>
<td>Bonuses</td>
</tr>
<tr>
<td>Job rotations</td>
</tr>
<tr>
<td>&quot;Stay&quot; interviews</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Don't know</td>
</tr>
<tr>
<td>None of the above</td>
</tr>
</tbody>
</table>
Looking Ahead...

Challenges:
- Recruitment
- Compensation
- Managing workload
- Turnover

Opportunities:
- Employee and leadership development
- Maintaining morale
- Fostering diversity and inclusion
Other responses
Looking Ahead: Trend

1. Recruitment and retention of qualified personnel
2. Employee morale
3. Competitive compensation package
4. Turnover
5. Creating a more flexible workplace (e.g., job sharing, outsourcing, hiring retirees)
## Aligning Leadership Goals and Workforce Strategies – Citizens

### OVERALL FOCUS

- Better customer service
- Support and continuation of programs
- Deliver high-quality service
- Branding and perception of state government

### HR/WORKFORCE IMPACT

- Employee performance management
- Classification and Compensation Programs
- Aging workforce
- Recruiting and Retaining Top Talent
- Employee Engagement Programs
Aligning Leadership Goals and Workforce Strategies – Fiscal Constraints

OVERALL FOCUS

- Reducing operating expenses and waste
- Transparency and accountability to taxpayers
- Media Scrutiny
- Improve Efficiency - Do More With Less

HR/WORKFORCE IMPACT

- Classification/Compensation Programs
- Healthcare Benefit Programs
- Digitalization/Modern Benefit Programs
Aligning Leadership Goals and Workforce Strategies – Economic Development

OVERALL FOCUS

• Investments in public safety, education and health and human services

• Attract new businesses

• New and expanded revenue opportunity

HR/WORKFORCE IMPACT

• Succession Planning

• Aging Workforce

• Recruit and Retain Top Talent
Creating top talent strategies

A clear and relevant organizational mission and vision

Conduct an analysis of the human capital needed to accomplish mission

Identify talent gaps

Develop and implement plans for current and future talent needs
Talent Solutions

- ROI
- Merit Systems
- Recruitment
- Applicant Experience
- Sell State Government
Talent Solutions

Pay

Mutual Value

Career

Continuous Learning
Recent SLGE Workforce Research

Succession Planning ➔

Staff Sharing for Public Health
Current Workforce Projects

• (1) Managing the Future State/Local Workforce and (2) Future Workforces of Transportation Agencies

• Local Government Financial Literacy

• Cross-Jurisdictional Staff Sharing for Public Health

• 2019 Workforce Survey
Questions?

Email: gyoung@slge.org
     lscott@csg.org

Twitter: @4GovtExcellence
         @NASPEStateHR