Overview

- **Current Workforce Landscape**

- **Problems Facing Public Sector Agencies**

- **Actionable Strategies for Improvement**

- **Looking Ahead to 2025**

OVERVIEW OF
Current Workforce Landscape

Current Retention Landscape

Source: Bureau of Labor Statistics & SHRM

Attrition Rates by Sector

- In 2023, government employee attrition rate was at 5.9% ([BLS](#))
- In 2023, the attrition rate was 3.6% across all industries (BLS)

Cost-Per-Hire

- The average cost-per-hire for recruiting a new employee is $4,700 ([SHRM)](#)

Generational Differences

- Gen Z attrition rate: 12.4%
- Under 30 attrition rate: 8.5%

Current Retention Landscape

Source: Bureau of Labor Statistics

BLS Statistics as of Nov 2024

Industry	Not seasonally adjusted				Seasonally adjusted				
	Nov. 2023	Sept. 2024	Oct. 2024[P]	Nov. 2024[P]	Nov. 2023	Sept. 2024	Oct. 2024[P]	Nov. 2024[P]	Change from: Oct.2024 - Nov.2024[P]
Government............................	23,466	23,452	23,807	23,963	23,000	23,419	23,457	23,490	33
Federal............................	2,964	3,004	3,009	3,008	2,952	3,001	**3,003**	**3,001**	**-2**
Federal, except U.S. Postal Service.............	2,358.0	2,402.1	2,405.5	2,405.1	2,350.2	2,394.7	2,398.0	2,398.7	0.7
U.S. Postal Service.................	606.0	601.6	603.0	603.2	601.7	606.5	604.9	602.2	-2.7
State government.................	5,569	5,574	5,679	5,726	5,383	5,495	5,514	5,534	20
State government education..............	2,814.5	2,732.9	2,836.2	2,875.7	2,624.6	2,659.3	2,669.7	2,681.3	11.6
State government, excluding education..........	2,754.9	2,841.0	2,843.1	2,849.8	2,758.5	2,835.6	2,843.9	2,852.9	9.0
Local government.................	14,933	14,874	15,119	15,229	14,665	14,923	14,940	14,955	15
Local government education...............	8,325.5	8,085.5	8,344.6	8,425.8	8,017.3	8,121.7	8,125.6	8,131.1	5.5
Local government, excluding education.........	6,607.5	6,788.8	6,774.5	6,803.3	6,647.4	6,801.4	6,814.7	6,824.2	9.5

Federal Civilian Employment by State 2024

Source: Congressional Research Service
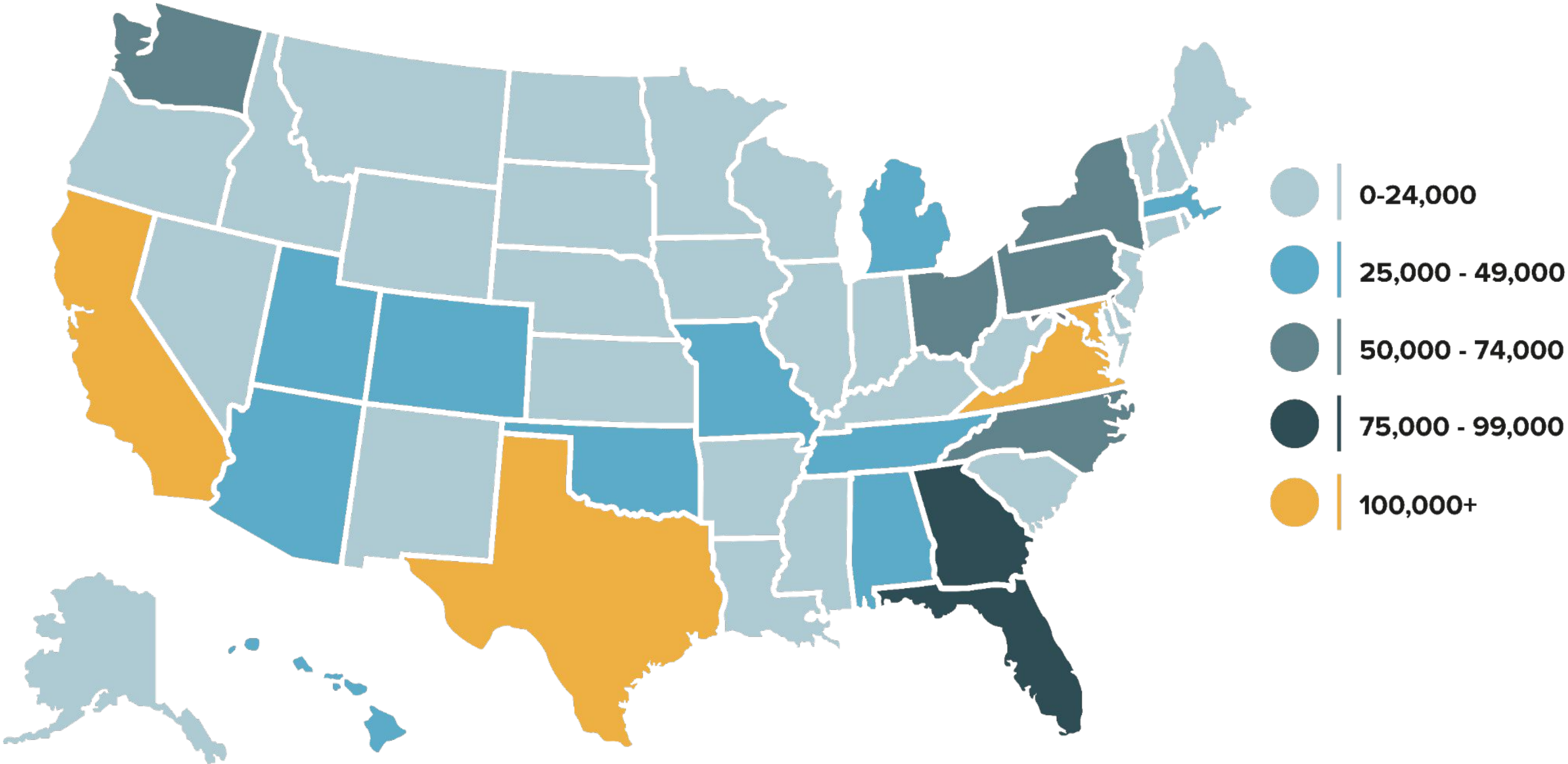
Legend:
- 0-24,000
- 25,000 - 49,000
- 50,000 - 74,000
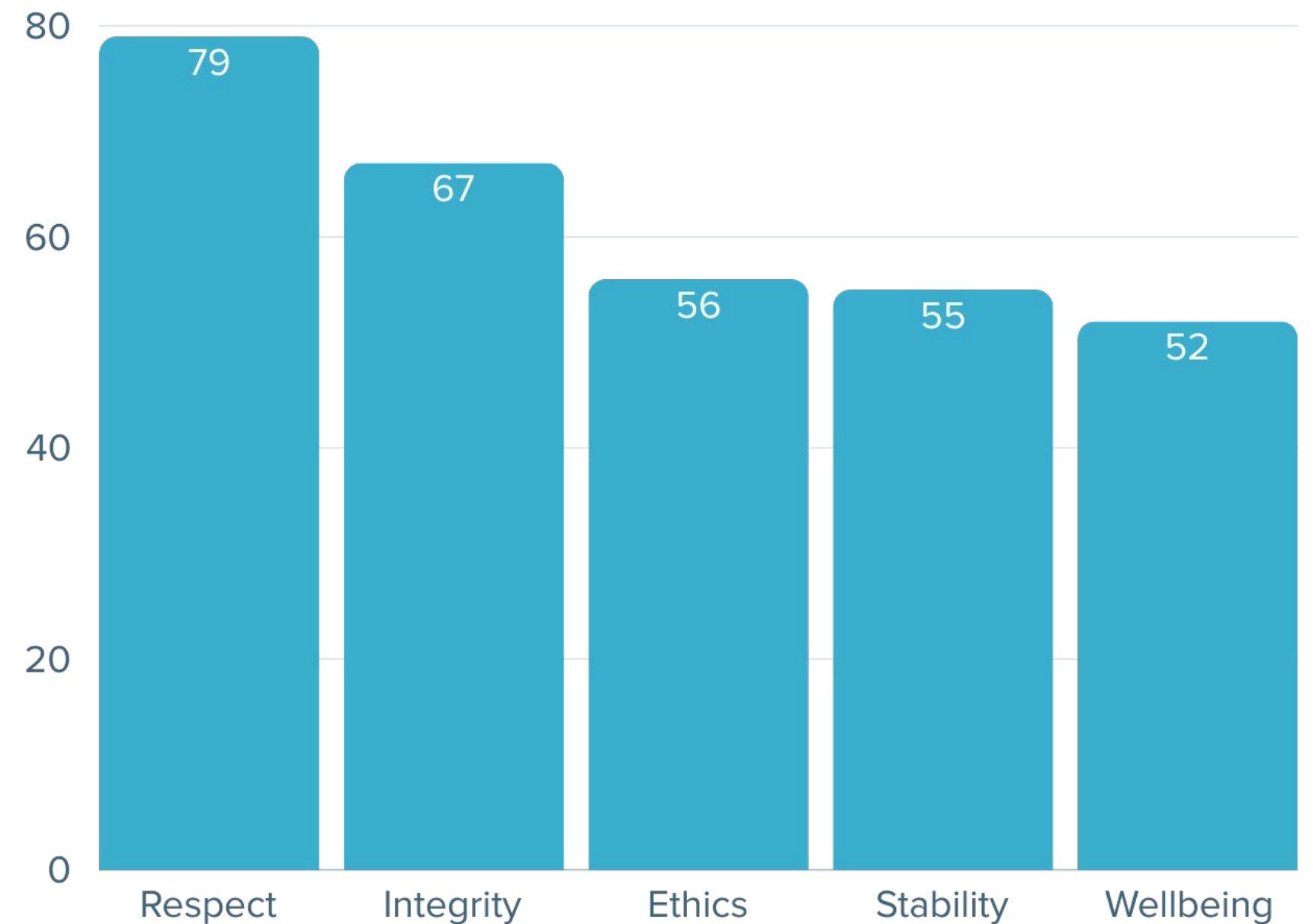- 75,000 - 99,000
- 100,000+

KEY FACTORS INFLUENCING
Public Sector Turnover

Factors Influencing Public Sector Turnover

Key Influencing Factors

1. Culture

Source: Eagle Hill Consulting

Factors Influencing Public Sector Turnover

Key Influencing Factors

1. Culture
2. **Compensation**

   Source: NEOGOV *Reframing Retention Report*

57% government employees satisfied with their pay

Factors Influencing Public Sector Turnover

Key Influencing Factors

1. Culture
2. Compensation
3. **Burnout**

Factors Influencing Public Sector Turnover

Key Influencing Factors

1. Culture
2. Compensation
3. Burnout
4. **Employee Feedback**

Source: NEOGOV *Reframing Retention Report*

14%

increase in retention

Factors Influencing Public Sector Turnover

Key Influencing Factors

1. Culture
2. Compensation
3. Burnout
4. Employee Feedback
5. **Sense of Purpose and Belonging**

STRATEGY 1:
Foster a Sense of Belonging

Importance of Diversity and Inclusion in Retention

Employees that **feel a sense of belonging** are **18x more likely to stay**

Initiatives

- Inclusive Workplace Culture
- Employee Resource Groups (ERGs)
- Diversity and Inclusion Training
- Mentorship Programs

Implement Inclusive Hiring Practices

How HR Technology & Data Support DEI

Leveraging Technology Supports Equity

- **Inclusive Job Postings:** Attract diverse candidates with inclusive language.
- **Blind Resume Screening:** Eliminate bias by removing Personally Identifiable Information (PII).
- **Diverse Interview Panels:** Ensure fairness in candidate evaluations.

Data-Driven Insights

- Identify barriers in the hiring funnel
- Target areas for diversity improvement
- Communicate success across the agency

STRATEGY 2:
Skills-Based Hiring

What is Skills-Based Hiring?

Skills-based hiring is the practice of hiring candidates based on their abilities rather than their credentials.

Why is this important?

1. Improving diversity improves agency culture and sense of belonging
2. Can increase number of qualified candidates by 19x (LinkedIn)
3. Can make it easier to hire for hard-to-fill positions or even transition someone internally

The Impact of Removing Degree Requirements

According to Opportunity@Work:

- Removing unnecessary four-year degree requirements increases access to qualified candidates.
- 15 states saw a 7% increase (~3,000 jobs) in middle- and high-wage roles available to workers without four-year degrees.

Benefits for Agencies

- **Attract Better-Fit Candidates:** Broaden the talent pool to find individuals who excel in the role.
- **Boost Retention:** Employees find fulfillment and are more likely to stay long-term.

How to implement skills-based hiring?

1. **Revise job requirements and descriptions**

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2. **Develop new assessment methods**

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3. **Change agency culture via communication and training**

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5. **Implement technology and data systems**

How to implement skills-based hiring?

1. Revise job requirements and descriptions
2. Develop new assessment methods
3. Change agency culture via communication and training
4. Look for new partnerships
5. Implement technology and data systems
6. **Commit to continuous improvement**

STRATEGY 3:
Leverage Technology

Recruitment

Get qualified public sector applicants for hard-to-fill positions.

Hiring

Reduce time-to-hire and onboard new employees in less time.

Development

Boost retention and empower employee career growth.

Performance

Give ongoing feedback in one place for easy, fair evaluations.

Documents & Workflows

Eliminate paper and time-consuming routing tasks.

Policies & Compliance

Keep staff up-to-date on critical content like policies and procedures.

Employee Information

Consolidate Core HR, benefits, payroll, and T&A.

Implementing a Modern HRIS System

Advantages of an All-In-One HRIS

- Automate Admin Tasks for Efficiency
- Data Analytics for Workforce Planning
- Enhanced Employee Self-Service Features
- Improved Communication and Engagement

Benefits

- Improves autonomy, efficiency, and engagement
- 80% of HR directors surveyed reported that HRIS improved their ability to disseminate information AND that it increased the levels of useful information

    Source: International Information Management Association

STRATEGY 4:
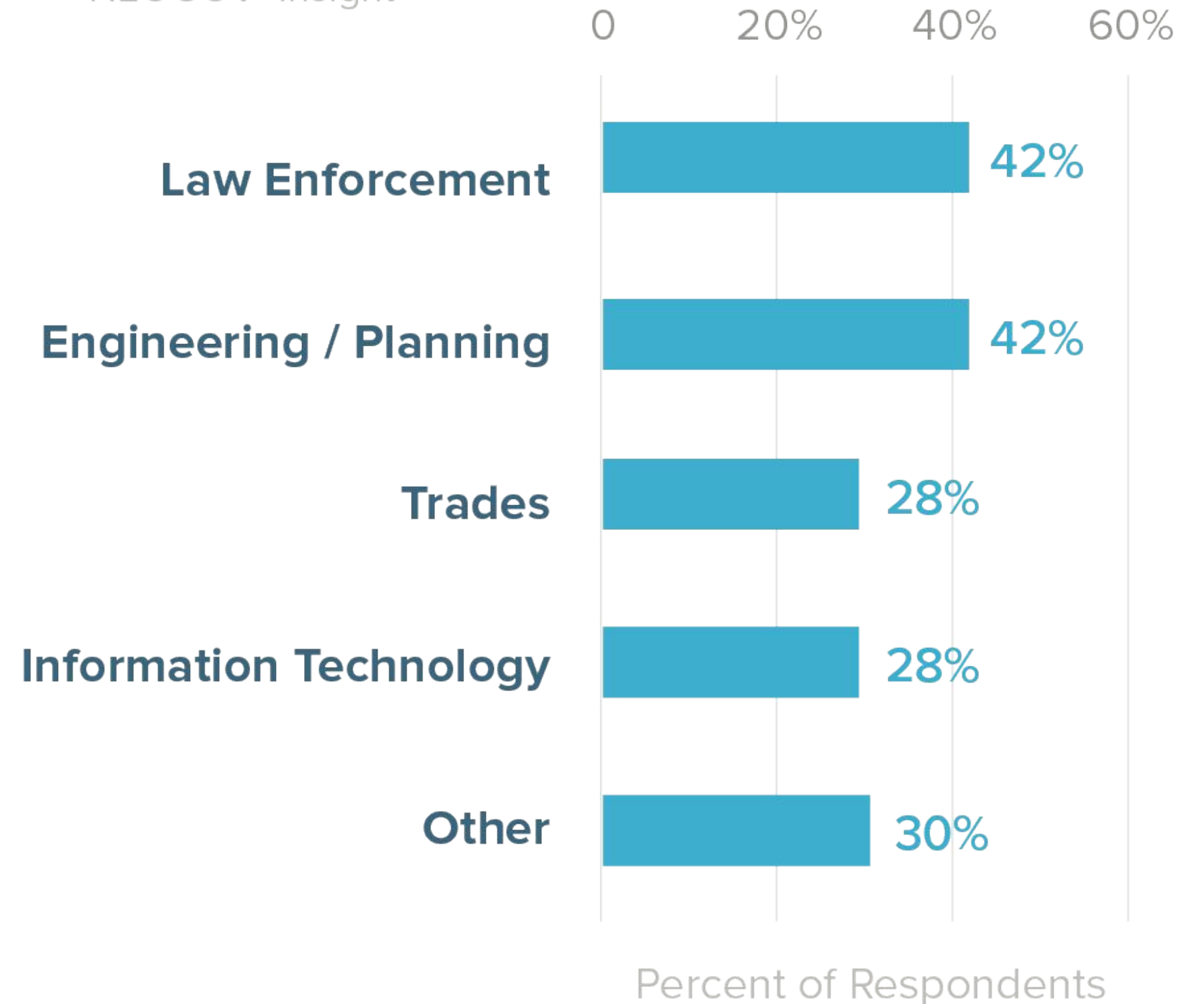# Target Retention Efforts on Hard-to-Fill Roles

Hard-to-Fill Jobs

40% increase in job openings for police officers & 32% for civil engineering positions

Although **views are up** for these job openings since last year, *applications are down overall*

Increase in Job Openings since 2019
Source: Applicant data from 45M+ applications in NEOGOV Insight

Category	Percent
Law Enforcement	42%
Engineering / Planning	42%
Trades	28%
Information Technology	28%
Other	30%

Percent of Respondents

Retention Initiatives

Regular Feedback & Engagement

- Develop recognition programs
- Provide continuous employee feedback and communicate the impact of their work

Career Development Opportunities

- Prioritize providing clear career pathways
- Offer specialized training and professional development programs

Succession Planning

- Plan for critical roles
- Identify and develop talent
- Document institutional knowledge

Targeted Retention/ Longevity Bonuses

Why Retention Bonuses Matter

- Retain experienced employees in hard-to-fill roles
- Ensure stability and continuity in operations during high-demand periods

Strategies for Implementation:

- Offer tenure-based bonuses
- Recognize and reward employees for their loyalty.
- Use retention incentives to preserve institutional knowledge

STRATEGY 5:
Develop & Implement a Retention Plan

Implementing a Comprehensive Retention Plan

Steps to Create an Actionable Plan

1. Develop a proactive, comprehensive retention action plan utilizing the strategies outlined above.

2. Allocate resources for implementation.

3. Create a timeline for implementation.

4. Set measurable goals and key performance indicators (KPIs).

5. Establish a cross-functional and diverse team to oversee the retention initiative.

6. Check in at pre-defined intervals to measure success and make adjustments as necessary.

Looking Ahead
to 2025

Future Opportunities: Attracting Federal Talent

The change in federal administration could create a pool of experienced workers seeking employment at the state level.

- Federal restructuring may create a skilled, mission-driven talent pool for state roles
- State agencies can market their positions as opportunities to work closely with communities while maintaining purpose-driven careers

- **Strategies include:**
  - Highlighting benefits and work-life balance
  - Implementing skills-based hiring to attract a diverse pool of candidates
  - Emphasizing roles where federal experience directly translates to impact
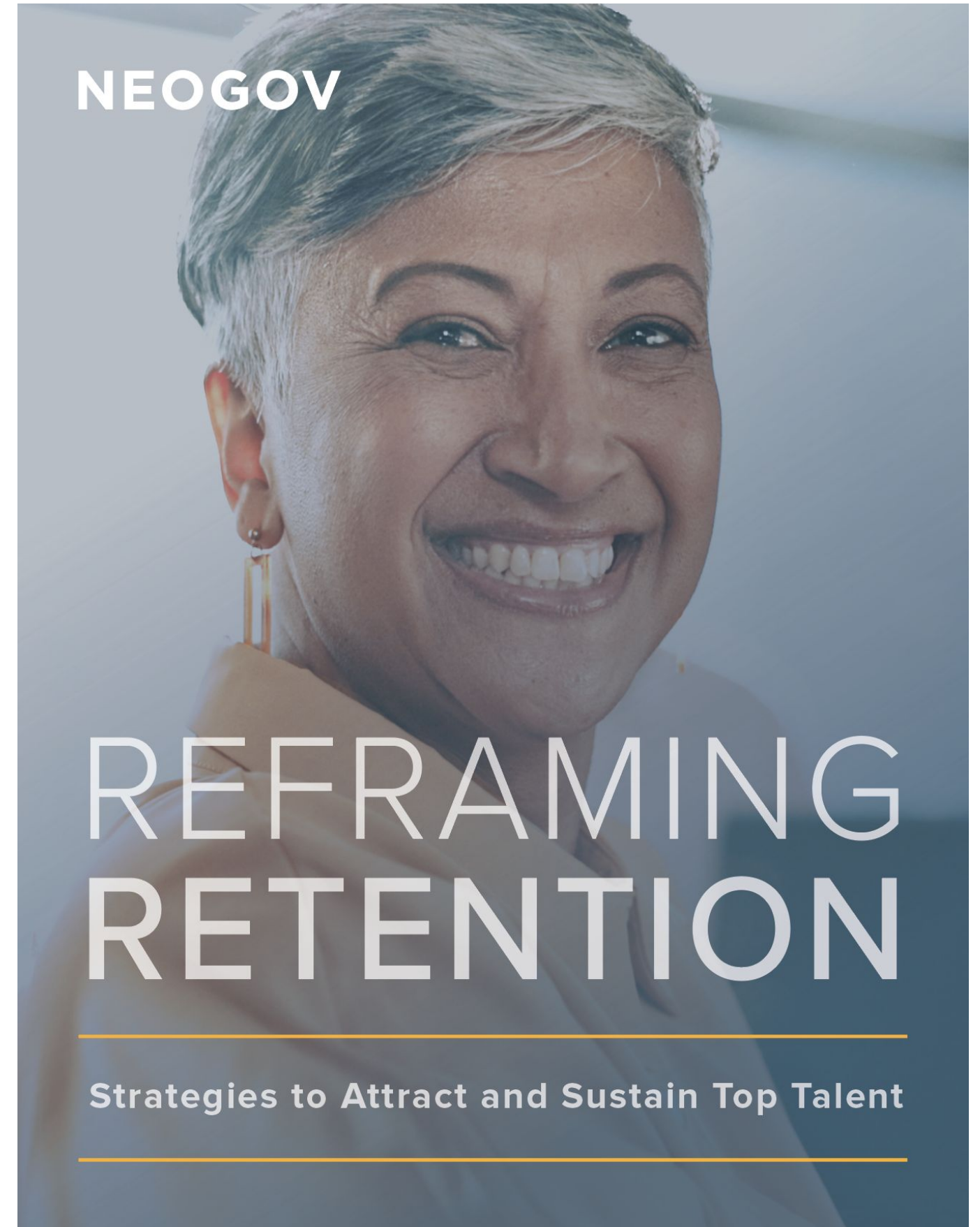
Top Retention Strategies for 2025

1	Foster a Sense of Belonging
2	Leverage Skills-Based Hiring
3	Prioritize Career Development
4	Address Burnout Proactively
5	Utilize Technology for Improved Efficiency
6	Focus on Hard-to-Fill Roles
7	Develop a Data-Driven Retention Plan

Q&A