

NEOGOV

2024 REPORT

TOP 5

PUBLIC SECTOR HR TRENDS

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WELCOME

After a year of continued staffing shortages and recruitment woes, public sector HR leaders are getting creative in 2024.

The 2024 Trends Report explores the most impactful opportunities for public sector HR in 2024. This data-filled report reveals how your peers are prioritizing and tackling key trends. Leverage these insights to benchmark your HR efforts, fuel decision-making, and refine strategic priorities for a successful 2024.

Who We Surveyed

Filled with valuable insights gathered from 779 survey respondents, this report reflects the trends, challenges, and opportunities within public sector HR. Respondents included HR generalists, recruiters, managers, and directors from a variety of agencies across the United States, including city (34%), county (30%), and state (21%) governments. The survey was conducted in November 2023.



Top HR Priorities in 2024

Going into 2024, government agencies are balancing the need to attract new talent with the crucial task of retaining valued employees. Retention and recruiting top the list of priorities for another year, signaling that the public sector hiring crisis is far from over.



Key Takeaways

As the hunt for qualified candidates continues, agencies are trying out new strategies to attract talent and widen the candidate pool. In 2024, public sector HR professionals are placing a high priority on the health and wellbeing of existing employees, and taking creative steps to incentivize qualified candidates to fill job openings.

Staffing shortages remain a challenge for public sector agencies, causing strain on employees and operations. Despite retirement numbers steadily rising, most agencies are not prioritizing succession planning or spending time on strategic planning for the long-term future.

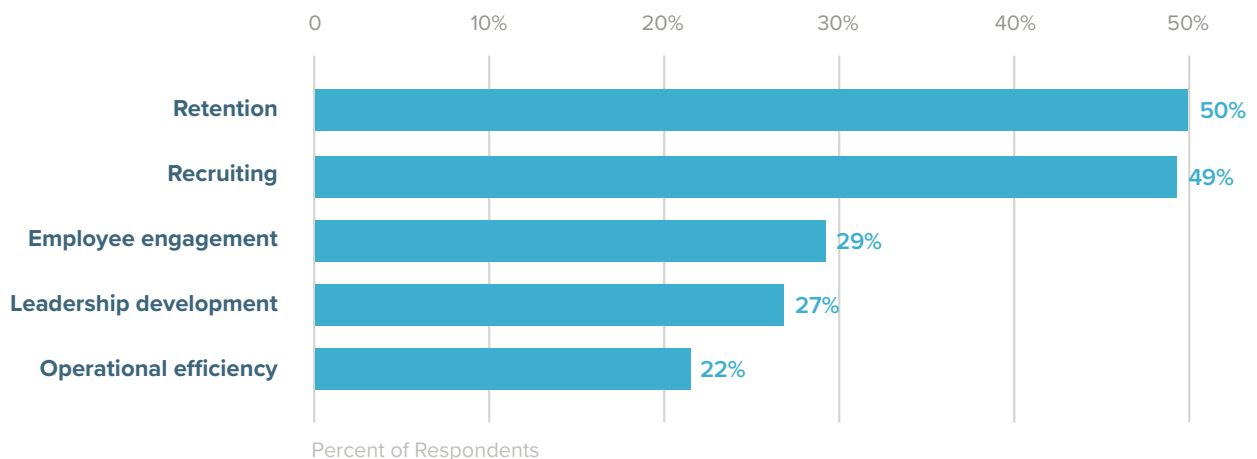
While survey respondents aren't as interested in adopting new technology (including AI), agencies are exploring ways to automate the onboarding process to improve operational efficiency, employee engagement, and the employer brand.

Keep reading to explore these public sector trends in more detail.

Figure 1

Top 5 Priorities for Government HR in 2024

Source: NEOGOV 2023 survey results



1

TREND #1: PERSISTENT STAFFING SHORTAGES

Staffing shortages continue to plague the public sector.

Nearly 71% of respondents are experiencing staffing shortages, with the majority reporting 6-10% of their jobs unfilled.

A lack of qualified candidates and high employee turnover make it challenging for agencies to break this vicious cycle.

It's no surprise that **the primary impact of staffing shortages is an additional strain on existing staff (81.5%)**. Respondents also report staffing shortages causing an increase in overtime hours (44%) and a reduction in services (22%).

The shockwaves of staffing shortages extend beyond overworked employees into the community as services are taken away or reduced. To combat the impact of staffing shortages on retention and services, agencies can leverage technology to do more with less. Technology streamlines internal processes and improves public interface, while saving resources.

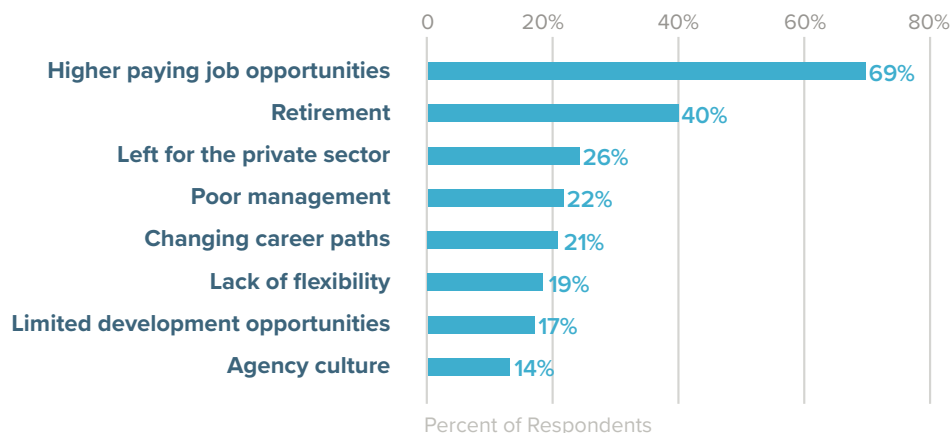
Why are employees leaving?

According to our survey data, most employees are leaving agencies for higher paying job opportunities. Leaving to work in the private sector is another top reason for employee turnover, which likely correlates with a desire for higher pay.

Figure 2

Top 3 Reasons for Employee Turnover in 2022 and 2023

Source: NEOGOV 2023 survey results



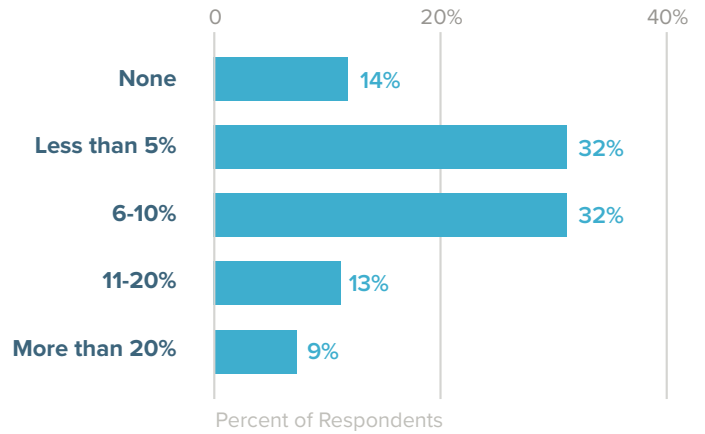
Planning for Retirement

With the Silver Tsunami in full effect, retirement tops the list of reasons for employee turnover for another year in a row. According to the U.S. Census Bureau, all Baby Boomers will reach retirement age by 2030. It's estimated that nearly 10,000 Boomers reach retirement age every day.

In our survey, most agencies say 5-10% of their employees will retire within the next 5-10 years, but a number of respondents (27%) will retire up to 20% of their employees in the same time frame.

Surprisingly, only 19% of respondents rate succession planning as a top priority for their agency in 2024, and 50% of agencies surveyed do not have a succession plan in place to capture critical knowledge before employees retire. A strong succession strategy ushers in a younger generation equipped with institutional knowledge and confidence in the agency mission – two critical factors for a well functioning agency.

Figure 3
Time Spent on Strategic Planning for the Long-Term Future
Source: NEOGOV 2023 survey results



2

TREND #2: WELLNESS-CENTERED RETENTION STRATEGIES

Employee wellness is taking a front seat in 2024.

Besides offering greater financial incentives, agencies are looking to improve retention by expanding wellness benefits and offering flexible work arrangements to existing employees.

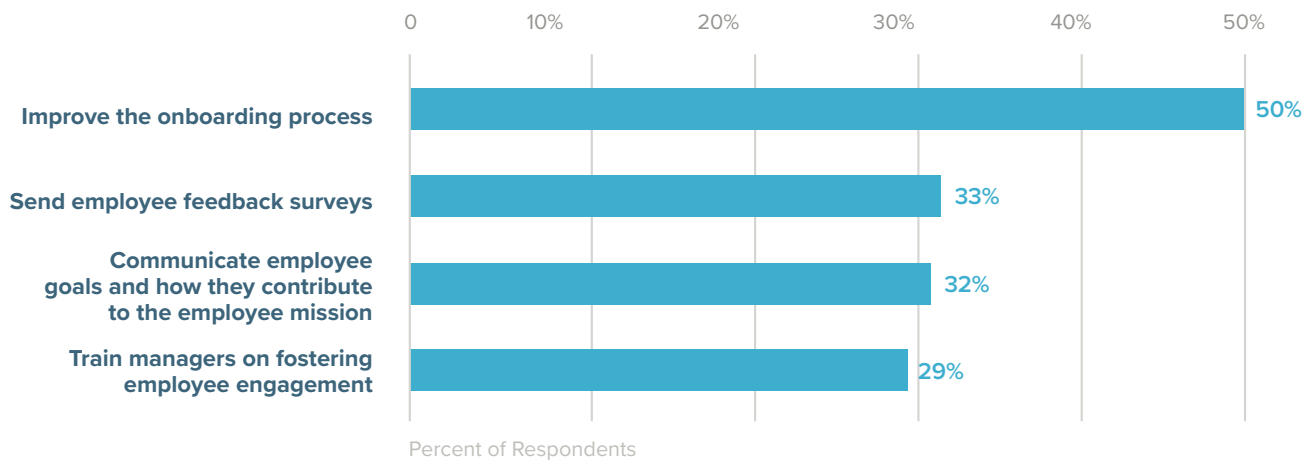
Agencies plan to **prioritize employee health and wellbeing** by expanding wellness offerings, such as access to therapy and wellness apps (56%); providing educational programs on health and wellness, like guest speakers on nutrition, sleep, and mental health

(45%); and hosting team activities, such as birthday celebrations and volunteer days (41%).

They also plan to offer more flexible work arrangements (30%) to support employee wellbeing. Offering hybrid or remote working arrangements (40%) and more flexible work schedules (37%) are rated top strategies to improve retention.

Increasing employee engagement is third on the list of top priorities in 2024. Greater engagement gives employees a better sense of why they're valued in the workplace. Understanding how their role impacts agency mission creates a connection and engenders a sense of loyalty.

Figure 4
How Agencies Plan to Increase Employee Engagement
Source: NEOGOV 2023 survey results





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TREND #3: CREATIVE RECRUITMENT STRATEGIES

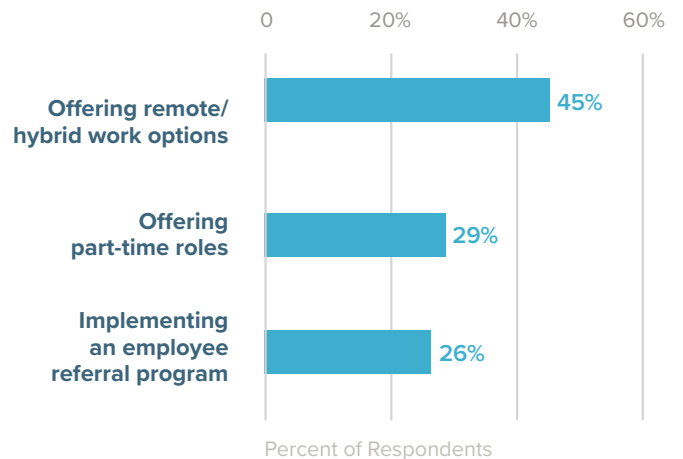
In a repeat of last year, finding qualified candidates remains the top recruiting challenge for government agencies. Offering competitive salaries (52%) and the slow hiring process (32%) are additional factors contributing to recruitment challenges.

More public sector agencies are using financial incentives to fill job openings.

To combat this, agencies are offering financial incentives to improve both recruitment and retention. **47% of agencies are offering more competitive base salaries to improve their employee retention.** 35% use tuition reimbursement as an incentive to fill job openings, while an additional 28% of respondents offer signing bonuses.

Public sector agencies often lose out on hiring qualified candidates to the private sector – simply because they can’t compete on salary. Survey results indicate more agencies are finding ways to stretch lean budgets in order to incentivize qualified candidates to accept public sector roles.

Figure 5
Other Creative Ways Agencies Have Tried Filling Job Openings
Source: NEOGOV 2023 survey results



Finding Qualified Candidates

In 2022, the number of applicants per open job plummeted by 56% from the year prior. It comes as no surprise, then, that the majority of agencies still consider finding qualified candidates their biggest challenge with recruitment. To remain competitive, agencies are trying different strategies to attract more candidates.

Loosening Degree Requirements

65% of government agencies have loosened degree requirements for candidates by accepting a combination of education and experience, and 6% have removed degree requirements entirely. Most agencies (78%) have not loosened any other hiring requirements, such as residency location, pre-employment drug screening, drug use policies, or background checks to aid in recruitment efforts.



The majority of agencies have loosened hiring requirements for entry-level roles.

Implementing Skills-Based Hiring

57% of respondents already had a skills-based hiring strategy in place, or will be implementing one in the coming year. 43% of agencies are not looking to implement a skills-based hiring strategy. Implementing a **skills-based hiring strategy can widen the candidate pool** by accepting applications from candidates who may not have traditional qualifications for a job.



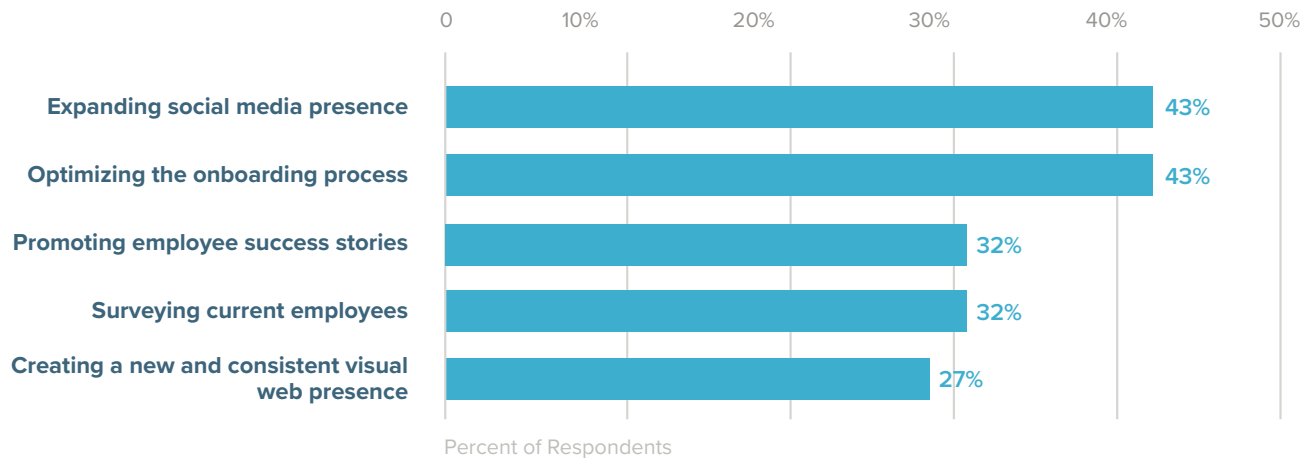
Improving the Employer Brand

49% of agencies already have a well-defined employer brand integral to recruitment efforts, and 31% are in the process of improving their employer brand now. An employer brand can help attract qualified candidates by introducing them to an agency's culture, values, and overall goals before they apply.

Figure 6

How Agencies Plan to Improve Employer Brand

Source: NEOGOV 2023 survey results



Targeting Certain Groups

When asked if they'll be focusing recruitment efforts on certain groups, most agencies say they'll be targeting millennials (44%) and Gen Z (34%). Yet, 32% of respondents say they are not targeting their recruitment efforts at all, indicating their priority is to simply find qualified candidates.

Contract Employees

The survey results show that most government agencies aren't recruiting or employing contract employees – only 8% are targeting recruitment efforts on contract employees.

For some agencies, **hiring contract employees is a good way to fill staffing gaps**. Contractors are often hired to augment highly specialized roles, such as IT, but they can also help short-staffed agencies manage projects, provide advisory services, or develop strategic plans. Contract employees can sometimes be more cost-effective than full-time employees, especially for specialized skills or temporary needs.



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TREND #4: THE NEED FOR SOFT SKILL DEVELOPMENT

In a world filled with technology, there is still room for soft skills in the workplace. Throughout the survey, employee training and development continually emerged as priorities for government agencies.

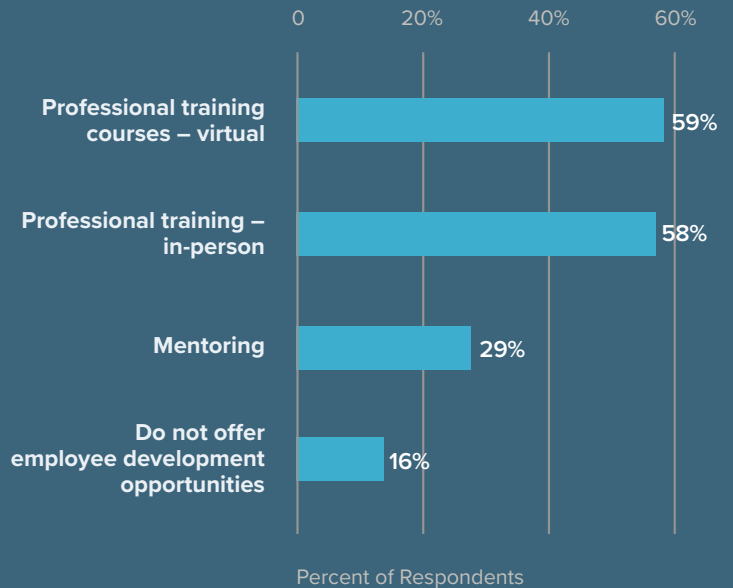
Soft skills, such as communication, empathy, and emotional intelligence, **can impact an organization's internal effectiveness as well as its external service delivery.** Improving soft skill development can lead to better internal collaboration, a more positive work environment, and enhanced customer service.

When asked about what needs the most improvement in their organization, agencies led with communication (26%), management skills (23%), and coaching and development (19%). Harder skills, such as adopting new technologies (14%) and job-specific skills or certifications (5%) ranked lower.

Agencies consider management training important to improve employee engagement. Leadership training that is designed to foster employee engagement (29%) and communicate employee goals in relation to agency mission (32%) are the top mechanisms for increasing employee engagement in the workplace.

However, training and development is an area where agencies struggle with efficiency the most, second only to recruitment and hiring. When asked about what areas of management training need the most improvement, respondents point to effective communication (55%), coaching and employee development (53%), morale building (44%) and conflict resolution (38%).

Figure 7
Current Employee Development Opportunities
Source: NEOGOV 2023 survey results



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TREND #5: TECHNOLOGY TO IMPROVE OPERATIONAL EFFICIENCY

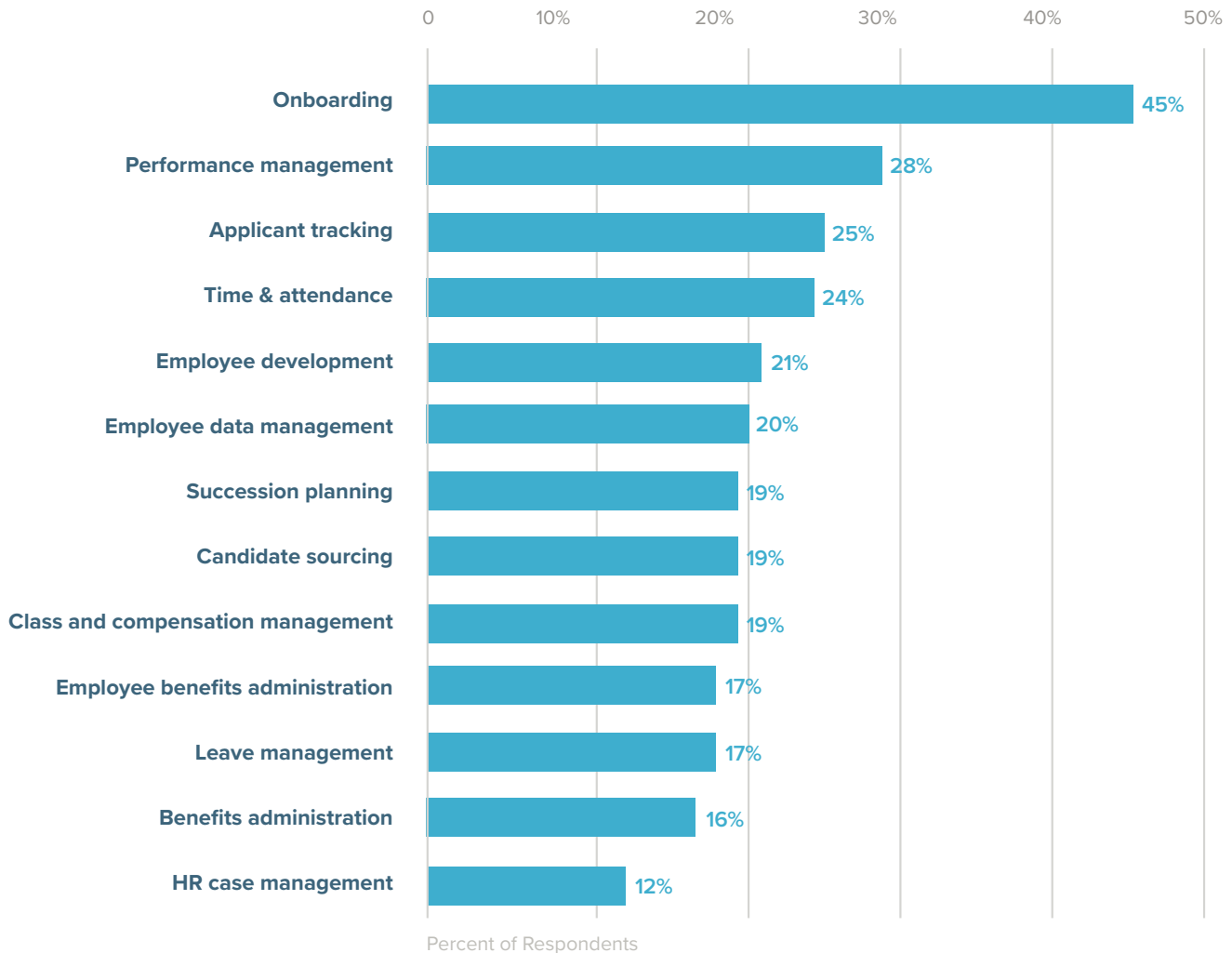
Operational efficiency is important for any organization, but especially for government agencies struggling with staffing shortages and high turnover. Thankfully, the majority of agencies say their operational efficiency, which is defined as the ability to deliver high-quality service at scale with few resources, is good (46%) – and even excellent (10%).

The top area where operational efficiency could be improved is recruitment and hiring. **In fact, agencies report that the slow hiring process is a top recruitment challenge.** To improve these operational inefficiencies, agencies are turning to technology.

Figure 8

HR Processes to Automate in 2024

Source: NEOGOV 2023 survey results





Using Artificial Intelligence (AI) in Government HR

Generative AI roared onto the scene in 2023, and many industries have turned to AI-powered tools to transform operations, create efficiencies, and enhance productivity. But according to our survey, AI hasn't made its way into public sector HR just yet.

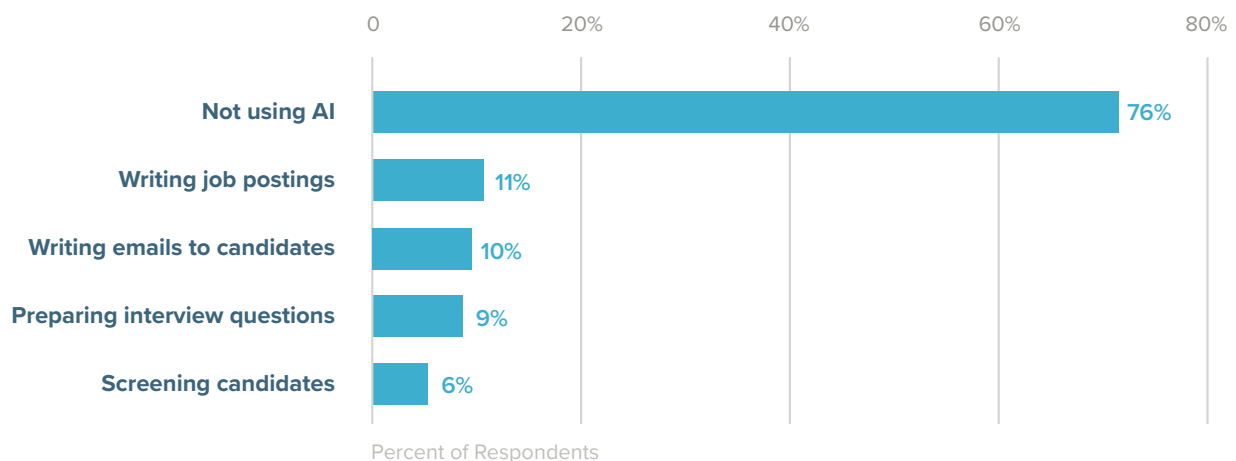
76% of government agencies are not using AI to help with any aspect of the recruitment process, and 78% do not have documented policies or procedures surrounding AI use. Similarly, 80% of agencies do not provide training around AI, but 14% plan to provide training in 2024.

Although AI seems out of reach for many public sector agencies, AI technology is the (not so distant) future. While there are ethical and security challenges to consider, the potential benefits of AI for public sector HR are significant. **AI is already helping agencies automate routine tasks, develop data-driven policies, and improve service delivery.**

Figure 9

How Agencies Plan to Improve Employer Brand

Source: NEOGOV 2023 survey results



Concerns With Using AI in Recruitment

When asked if they have concerns with using AI to help with recruitment, 38% of agencies say they're not concerned at all. 36% indicate they have concerns with the accuracy of AI information or AI screening capabilities. Compliance issues (33%) and introducing hiring bias (22%) are additional concerns agencies have with using AI for recruitment.



NEXT STEPS

Thank you for reading the 2024 Trends Report by NEOGOV. We hope these peer insights, data analyses, and resources have been helpful.

NEGOV serves public sector HR with a comprehensive suite of solutions for recruitment, onboarding, performance management, employee development, and more. We are proud to serve the people who serve the people.

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