

JOB ONE: REIMAGINE TODAY'S STATE GOVERNMENT WORKFORCE

MARCH 2019



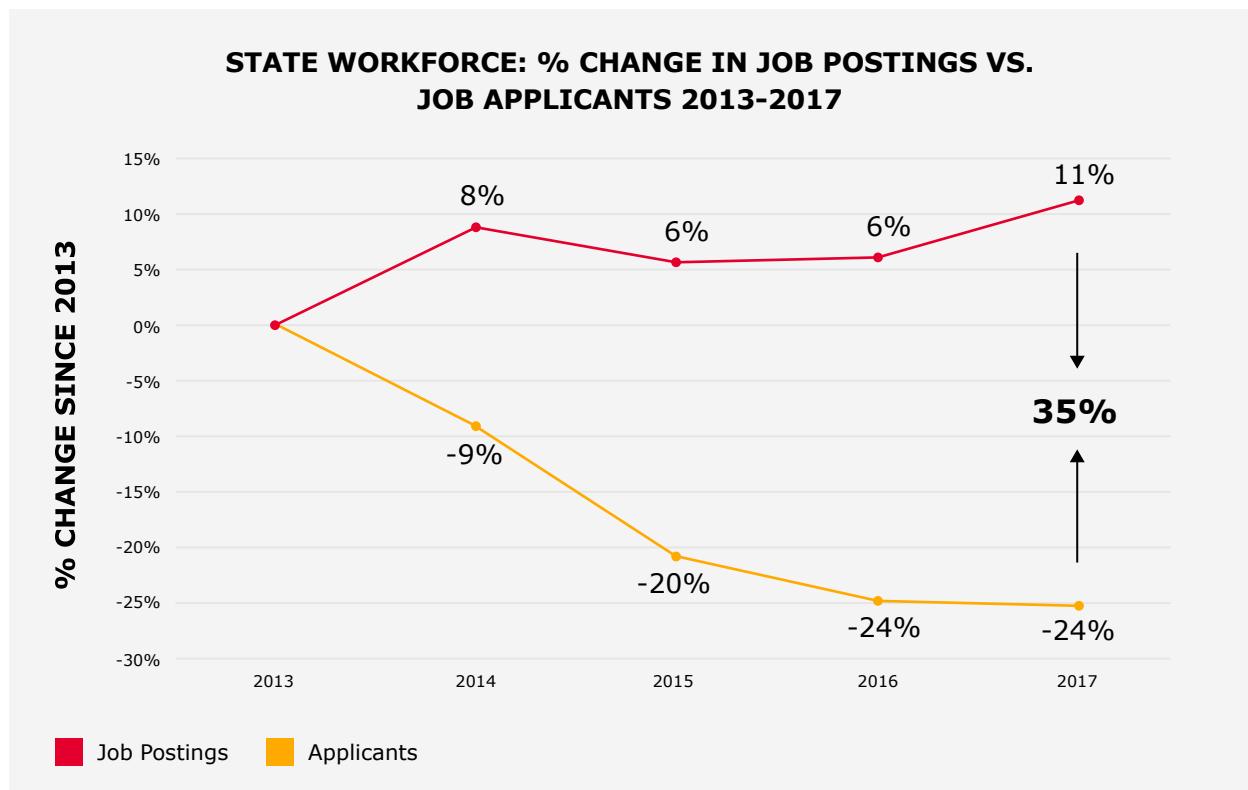
State governments have always had to compete for talent. Now the challenges are reaching a fever pitch thanks to demographic and social forces. While state leaders recognize the obstacles, most aren't yet doing enough to overcome them. New research from the National Association of State Chief Administrators (NASCA) in collaboration with Accenture and NEOGOV with assistance from the National Association of State Personnel Executives (NASPE) suggests that as the public and private sectors battle for talent, government is falling too far behind in preparing for the workforce of the future.

To close the gap—and attract the best talent—states must start making bold moves today.

BATTLING FOR TALENT

State governments are facing significant challenges in the ongoing competition to attract and retain top talent. For starters, the long-discussed “silver tsunami” is finally setting in. While public administration represents only a portion of diverse state workforces, these employees are an average of four years older than workers in other industries.ⁱ In the next decade, a significant portion of state workers are eligible to retire. For example, the proportion is nearing 70 percent in Nebraska and 40 percent in Iowa.ⁱⁱ And while the number of job postings in state government has grown by 11 percent, more alarming is the number of applicants for those positions has dropped by 24 percent since 2013—creating an estimated “gap” of 35 percent. If the gap continues at the same pace of change, it is estimated to widen to 70 percent over the next five years (see Figure 1).^{iii,iv}

Figure 1. State Workforces: Applicants vs. Jobs Postings Gap Widens Significantly



Source: NEOGOV

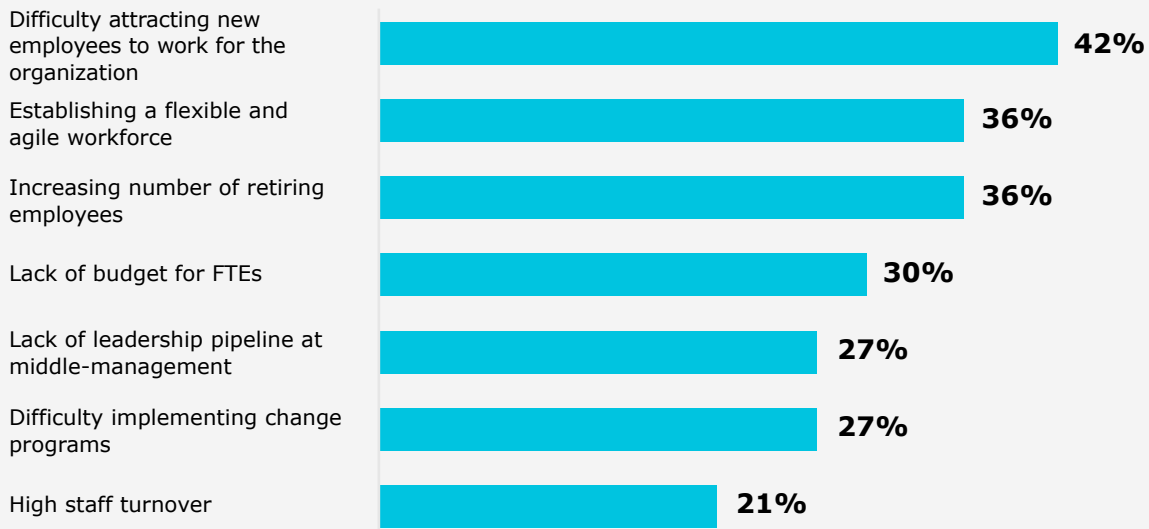
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The findings of our study affirm that state chief administrators and HR directors recognize they have a problem. When asked to rank their greatest workforce management challenges (see Figure 2), difficulty attracting new employees to work for the organization emerged at the top (cited by 42 percent). When asked about the trends with the greatest impact on their organization's workforce strategy (see Figure 3), respondents indicated the growing skills gap (64 percent), redesign of traditional jobs (52 percent), offering more flexible work arrangements (52 percent) and automation of processes (49 percent).

Figure 2. Recruiting New Talent is the Top Workforce Management Challenge

Q: Please rank the three greatest workforce management challenges your organization faces. (Ranked within the top 3)

STATE CHIEF ADMINISTRATORS

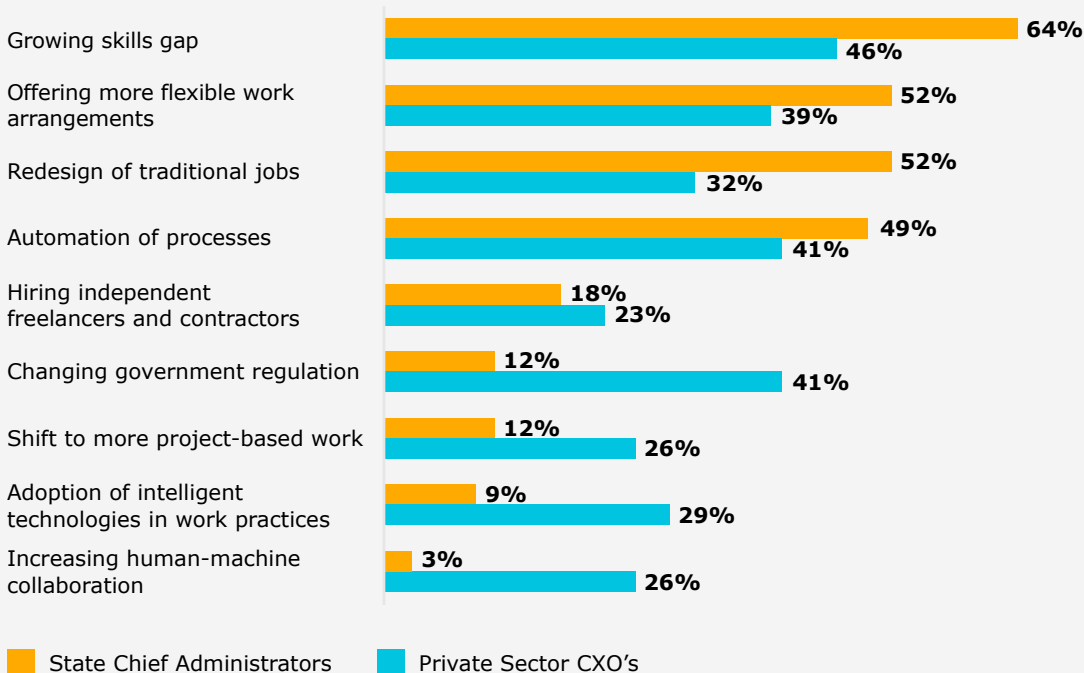


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Acknowledgement of the “problems” of talent recruitment and skills development is the good news. The bad news is that the value of the traditional “package” of tools for dealing with those problems is significantly diminishing.

Figure 3. Public vs. Private: The Skills Gap is Driving Workforce Strategies for CAOs

Q: Which of the following trends have the greatest impact on your organization's workforce strategy? (Ranked within the top 3)



Source: Accenture surveys, fielded 2017-2018
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The biggest variances between private sector versus the public sector were changes to work: more project-based work (+14% private); adoption of intelligent technologies (+20% private), and increasing human-machine collaboration (+23% private).



Governments historically have had a compelling proposition to offer workers: secure lifetime employment and generous health benefits followed by a robust pension for retirement. In many states, that bargain is now eroding (see Figure 4). With State workforce levels still below pre-recession levels, ongoing layoffs and federal actions impacting union activity, job security is no longer seen as a given with state employment. Workers are being required to kick in ever-larger contributions toward health benefits.^{vi} And defined benefit pensions are underfunded, being phased out for new joiners or both.^{vii,viii} Compounding these challenges are several additional key factors:



Changing expectations. Lifetime employment now has less appeal, especially among the millennial generation.^{ix} For example, of the total workforce turnover in Idaho, 43 percent were millennials.^x This turnover is compounding the challenges—but also reinforcing the need for bold changes to talent recruitment, retention and development.



Lack of public support. Some governors and legislators are villainizing their own workforces, leading to a decline in public support. As a result, working for the state is no longer perceived as the noble profession that it used to be. In fact, more than half of survey respondents (55 percent) pointed to a negative perception in the public about working for government as a top barrier to attracting talent (see Figure 5).



Inability to compete. Eighty-five percent of states cited an inability to offer salaries competitive with the private sector, a disadvantage amplified by declining pension and other benefits. Meanwhile, many state capitals are viewed as less attractive places to live.

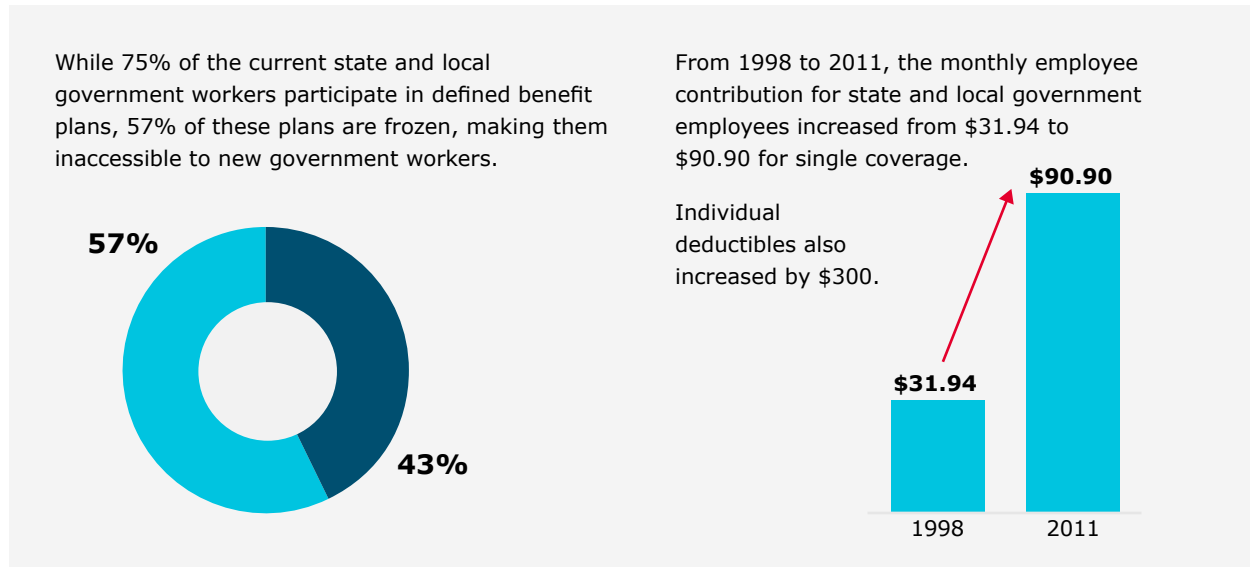


Union considerations. While unions aren't a factor for every state, 45 percent of respondents reported that at least half of their state employees are members of a union (see Figure 6). Thirty-nine percent indicated that union members represent less than 10 percent of their state's workforce. (NOTE: We analyzed the results of each question to see if there were any significant differences in findings and recommendations between heavily-unionized and lightly-unionized states. We found no significant differences.)



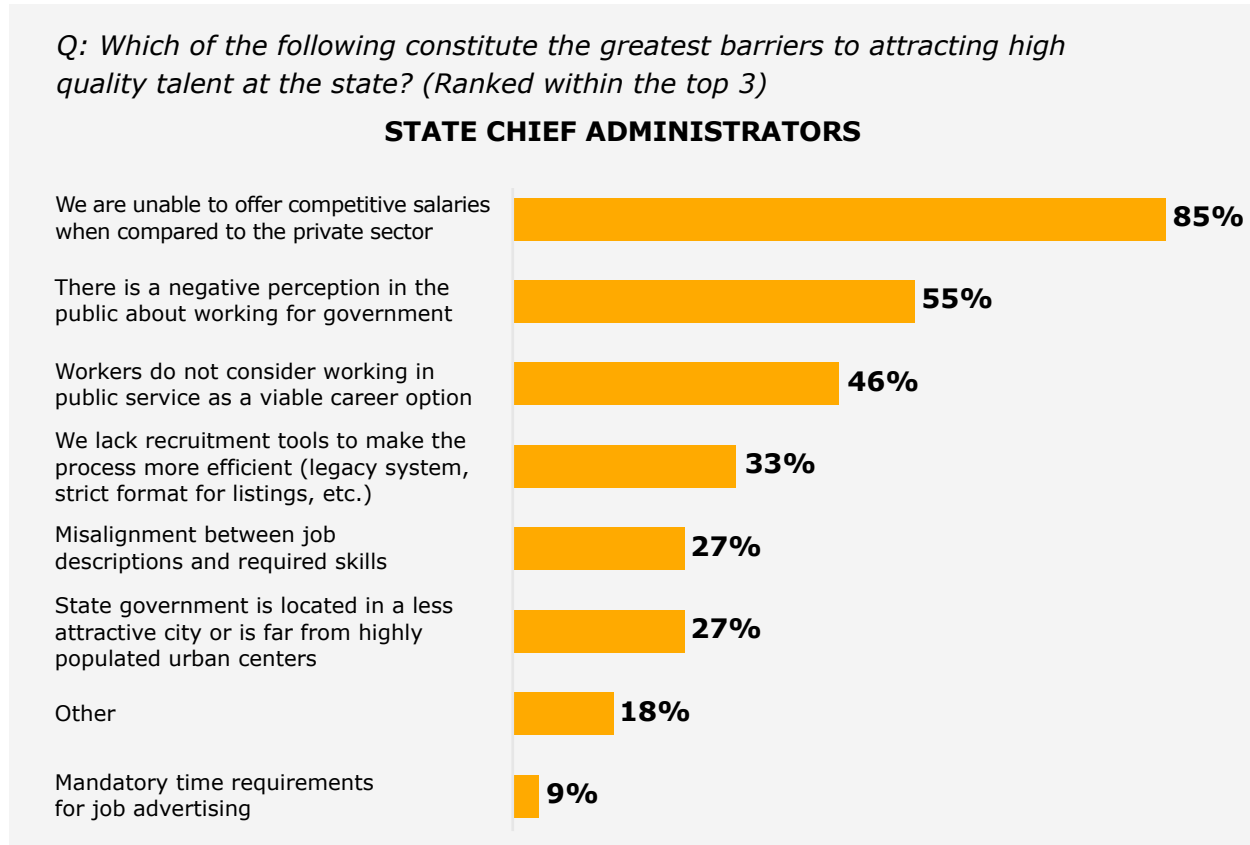
Low unemployment and growth in the private sector. While state workforces did offer more job security during the recession, the private sector continues to outpace state government in job growth. Since the recession, the private sector has grown almost 13% thereby shrinking the total available labor pool.^{xi}

Figure 4. The Traditional Value Proposition for Government Employees is Eroding



Source: Bureau of Labor Statistics

Figure 5. Competitive Salaries Not the Only Barrier to Attracting Talent in State Government



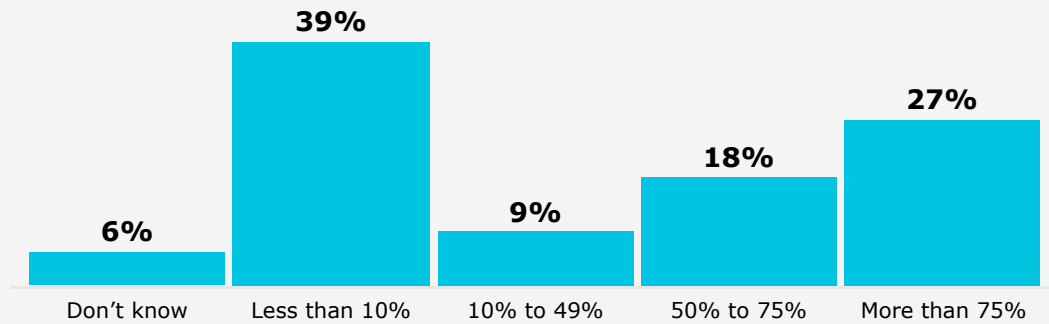
Source: Accenture survey, fielded October 2018

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Figure 6. Percentage of State Workforce that Belongs to a Union

Q: What percent of your state workforce is a member of a union?

STATE CHIEF ADMINISTRATORS



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The really bad news? Across the board, states aren't yet doing much beyond recognizing these challenges. That's especially true when compared to their C-suite peers in the private sector.

This report provides insights on where the gaps are the greatest and bold steps states can take to close those gaps to win the battle for talent.

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IT'S TIME FOR BOLD ACTION: THE CASE FOR CHANGE

At times the public sector justifiably moves more cautiously than the private sector to address rising challenges and new opportunities. However, the intensifying “battle for talent” should serve as a wake-up call: State governments are going to be increasingly challenged to recruit and retain the talent needed to provide the services constituents need and the experiences they now expect. Each year, State HR Executives through NASPE rank their Top 5 priorities for the upcoming year. Not surprisingly, at a 2019 roundtable, recruiting remained a top priority and their sentiment echoed how critical this HR effort has become due to compounding factors.

It's time for significant change and modernization at every phase of the employment lifecycle—from recruitment, hiring and onboarding to training, development and retention. Clearly, that's a very tall order and won't happen overnight, especially considering that government is often one of the largest employers in the state. So, where should states start? We recommend a “roadmap for change” with an initial focus on recruiting followed by ongoing efforts to transform the rest of the employment lifecycle:

Clicking on the text below will take you to directly to that section.

01

RESHAPE RECRUITING

- **Modernize job descriptions**
- **Develop your people: Consider training a strategic weapon and invest accordingly**
- **Build your brand**
 - **Meaningful contributions**
 - **Flexible work arrangements**
 - **Interesting and varied work**

02

TRANSFORM EMPLOYEE EXPERIENCE

- **Streamline the search**
- **Improve experience through automation**
- **Modernize job evaluations**
- **Get serious about succession**

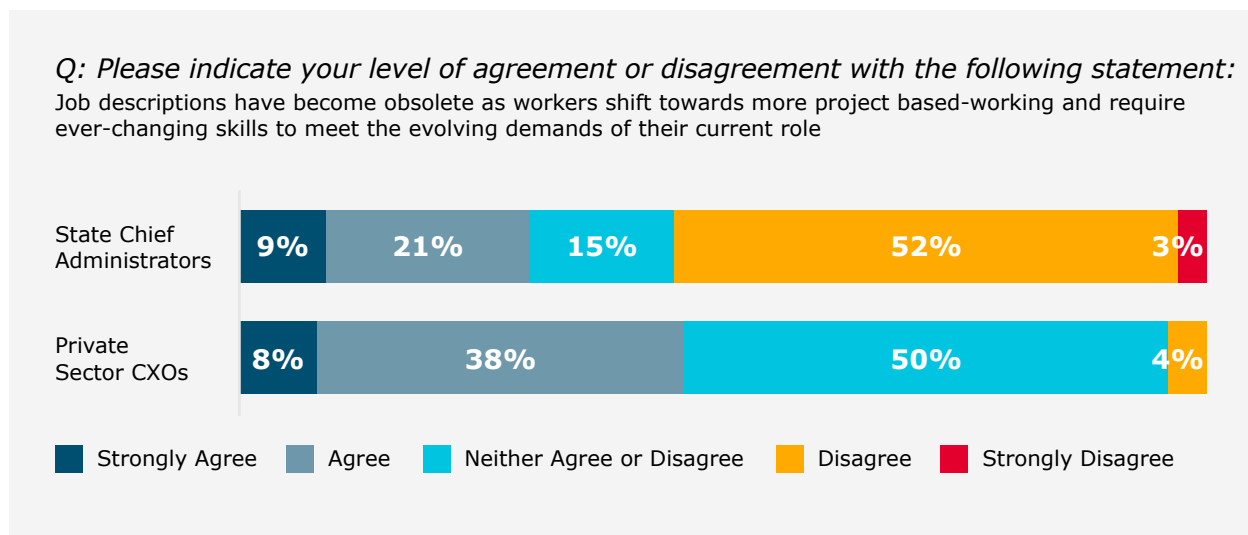
01 RESHAPE RECRUITING

By focusing at the top of the funnel, states can improve the flow of potential talent into the government workforce. The findings of our study point to some specific opportunities to transform recruiting.

Modernize job descriptions

Job descriptions have been a core building block of recruiting and talent management in both the private and public sectors. Accenture research suggests that private-sector leaders are more likely to believe job descriptions are becoming obsolete as work shifts toward more project-based activities (see Figure 7).

Figure 7. Private Sector Leaders More Likely to Believe Job Descriptions Becoming Obsolete



Source: Accenture surveys, fielded 2017-2018

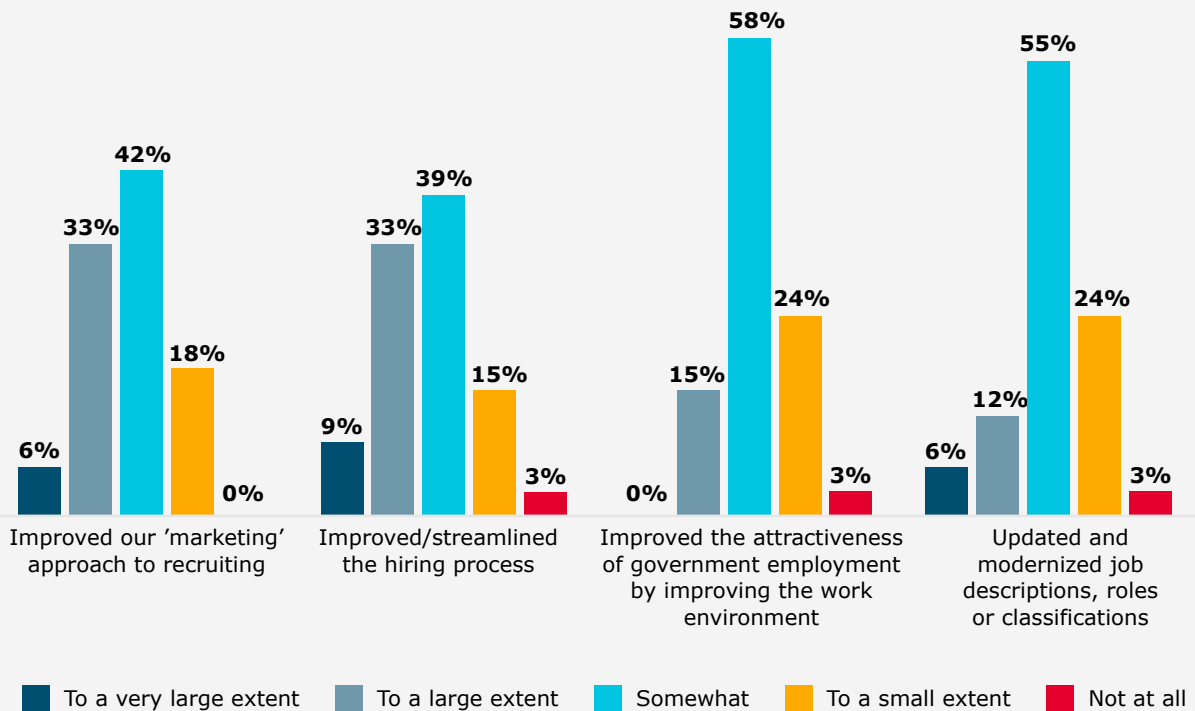
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While states have taken action to improve the hiring process, only 18 percent of state leaders reported that they have updated and modernized job descriptions, roles or classifications to a large or very large extent (see Figure 8). In preparing this report, a handful of states shared that although they've made updates to job descriptions, they haven't looked at them comprehensively since the 1980s.

Figure 8. State Chief Administrators are Overcoming Recruiting Challenges by Updating Jobs and the Work Environment

Q: Please indicate to what extent you have implemented the following to overcome the challenges of recruiting high-quality talent over the past three years?

STATE CHIEF ADMINISTRATORS



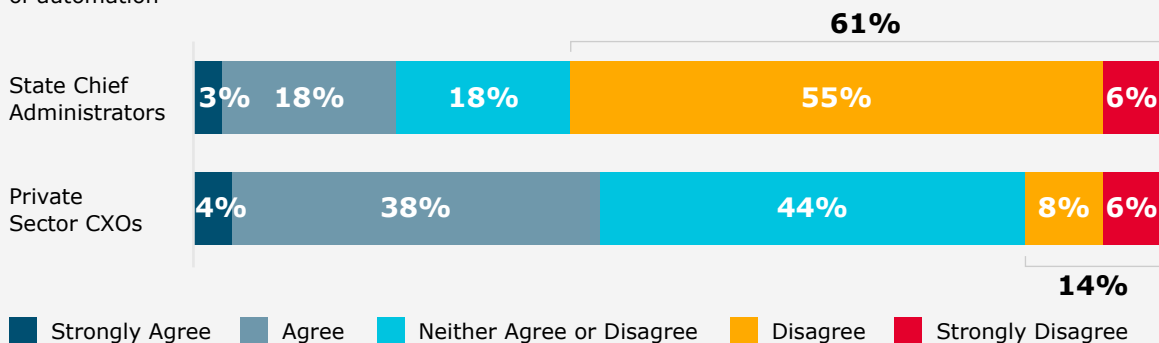
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Additionally, the private sector appears to have a real jump on redesigning jobs in anticipation of automation (see Figure 9). Twice as many private-sector CXOs (42 percent) reported that they have already begun redesigning jobs^{xii} compared to state leaders (21 percent). And while just 14 percent of private-sector leaders indicated they've not yet started such efforts,^{xiii} 61 percent of state execs admitted they're at the starting gate.

Twice as many private-sector CXOs (42 percent) reported that they have already begun redesigning jobs compared to state leaders (21 percent).

Figure 9. Private Sector Has a Jump on Redesigning Jobs in Anticipation of Automation

Q: Please indicate your level of agreement or disagreement with the following statement:
We have started to redesign jobs across all functions in our organization in anticipation of the impacts of automation



Source: Accenture surveys, fielded 2017-2018

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As commercial entities are preparing for a future focused on roles impacted by automation, many states are stuck in the past. In focus group interviews coordinated with NASCA, one state noted an IT job description that still mentions modem skills; another mentioned an executive assistant position description listing typewriter experience as a requirement. As those examples underscore, it's time to rethink how states categorize and describe the work they do around talents and characteristics rather than focusing on titles, government scales and jargon that will soon become obsolete.

TENNESSEE: Making state government a preferred employer

With more than 43,000 employees, the state government is the largest employer in Tennessee. The state has been focused on multiple workforce initiatives. Commissioner of General Services Bob Oglesby explains one of the efforts central to realizing Tennessee's goal of making state government a preferred place to work: "Our **comprehensive program of leadership training and development** both increases employees' professional development and career potential and strengthens networking among promising employees moving upward into more responsible positions."

Develop your people: Consider training a strategic weapon and invest accordingly

Across sectors, we expect jobs to continue to change rapidly—requiring continual upskilling to keep pace. According to a World Economic Forum report, robotics and artificial intelligence will make 75 million jobs obsolete and drive the creation of 133 million new jobs by 2022. These changes will fuel significant training requirements: “By 2022, no less than 54 percent of all employees will require significant re- and upskilling. Of these, about 35 percent are expected to require additional training of up to six months, 9 percent will require reskilling lasting six to 12 months, while 10 percent will require additional skills training of more than a year.”^{xiv}

Interestingly, a survey of prospective state workers found that most (53 percent) consider themselves most responsible for ensuring the relevance of their skills.^{xv} That represents an opportunity for state governments to differentiate by emphasizing their broad assumption that, together with employees, they share responsibility for keeping skills current (see sidebar case studies for Tennessee and Washington). Indeed, compared to the private sector, state governments are more likely to make investments in training. Only 17 percent of private-sector respondents report they are using training to prepare for the future of work.^{xvi} According to our study, about one-third (31 percent) of state government leaders are doing so (see Figure 10).



WASHINGTON: Nurturing strong leaders

Evidence that leader behavior/mindset is a key driver of workplace culture, customer satisfaction and employee satisfaction is abundant in Washington State. Governor Jay Inslee called for agencies to improve in each of these areas and for a transformation of leadership skill in state government. In addition, customer interviews by the Department of Enterprise Services (DES) confirmed leadership development as a top need. DES Workforce Support & Development Division is tasked with providing personnel services (such as learning solutions, employee assistance and HR services) for all of state government. That division’s Workplace Learning & Performance (WLP) team embarked on a plan to help transform leadership in Washington State government. The goal: design a comprehensive, enterprise-wide suite of leadership development experiences that build the leaders Washington State government needs. After launching the supervisor training in 2016 and middle manager training in 2017, **learners are reporting an average of 23 percent and 29 percent post-class growth**, respectively for each program, in key leadership abilities like managing stress, driving results and building trust, as well as increased interest in further building their skills outside of the classroom.

Figure 10. State Chief Administrators are Ahead of Private CXOs on Training for the Future

Q: What are the most important initiatives your organization is currently undertaking to prepare your workforce to work more effectively with intelligent technologies and machines?



Source: Accenture surveys, fielded 2017-2018
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Build your brand

If the traditional benefits of state employment are waning, how can states make the work more appealing to today's talent? State Personnel Directors at a NASPE roundtable shared a range of efforts as some have imposed strong, statewide centralized branding to aide in recruitment, while other states have embarked on similar efforts. Here are a few specific ideas supported by research and real-world experience.





Meaningful contributions. In a survey of government job applicants, 51 percent cited the opportunity to do meaningful work as one of the most appealing aspects of public sector employment (Figure 11).^{xvii} Rather than trying to compete on salary and benefits alone, emphasize the ability to contribute to the community. It helps reshape the conversation to empower rather than villainize state workers. This approach is especially effective with millennial candidates, who place a premium on opportunities to support the greater good. Some states are already making impressive progress on this front (see sidebar case study for Louisiana).

LOUISIANA: Highlighting the social impact of state employment

“Understanding that millennials and post-millennials value meaningful work, it was important that we embark on a rebranding initiative in Louisiana,” explains Byron Decoteau, State Civil Service Director for the State of Louisiana. “The purpose of our rebranding initiative was to update not only our look but how we publicized the state government workforce as well.”

After updating the state website and logo, the team created “Every Day for Every Citizen – A Louisiana Pop Up [Video](#).”^{xviii} The video emphasizes the multitude of state services a citizen experiences within just a few hours of their daily lives.

The state also expanded its social media presence and made a plan to share more content that portrayed the positive things happening across all state agencies as well as to introduce new graphics for advertising job vacancies. State employees can nominate coworkers for Louisiana’s State Civil Service Employee Spotlight monthly series, which highlights excellent public service across a variety of positions and puts a face to state government.

As Decoteau says, “**State government has an advantage over private industry when it comes to offering a wide range of career opportunities**—especially opportunities that provide meaningful work. Our goal is to connect that meaning with our job candidates.”



Flexible work arrangements. A survey of government job applicants showed that more than one in three respondents felt that work-life balance is one of the most appealing aspects of working for state governments (see Figure 11).^{xix} Millennials sought work-life balance at a similar rate as non-millennials. We advise states to build on that advantage by offering and highlighting flexible work arrangements (see sidebar case study for Tennessee). Flexibility is fast becoming a standard feature in private-sector positions, and millennials increasingly expect it. One in three jobs seekers indicated that flexible work arrangements were a strong motivator to remain in their current job.^{xx} While 91 percent of states offer some flexible work hours, only 61 percent report that employees can work from home on select days, and even fewer (39 percent) give state employees the option to telework full time (see Figure 12).

Additional approaches, like offering telework and/or renting remote space can make it possible for states to hire people who want to live in a city more attractive to them than the state capital (see sidebar case study for Florida).

A survey of government job applicants showed that more than one in three respondents felt that work-life balance is one of the most appealing aspects of working for state governments

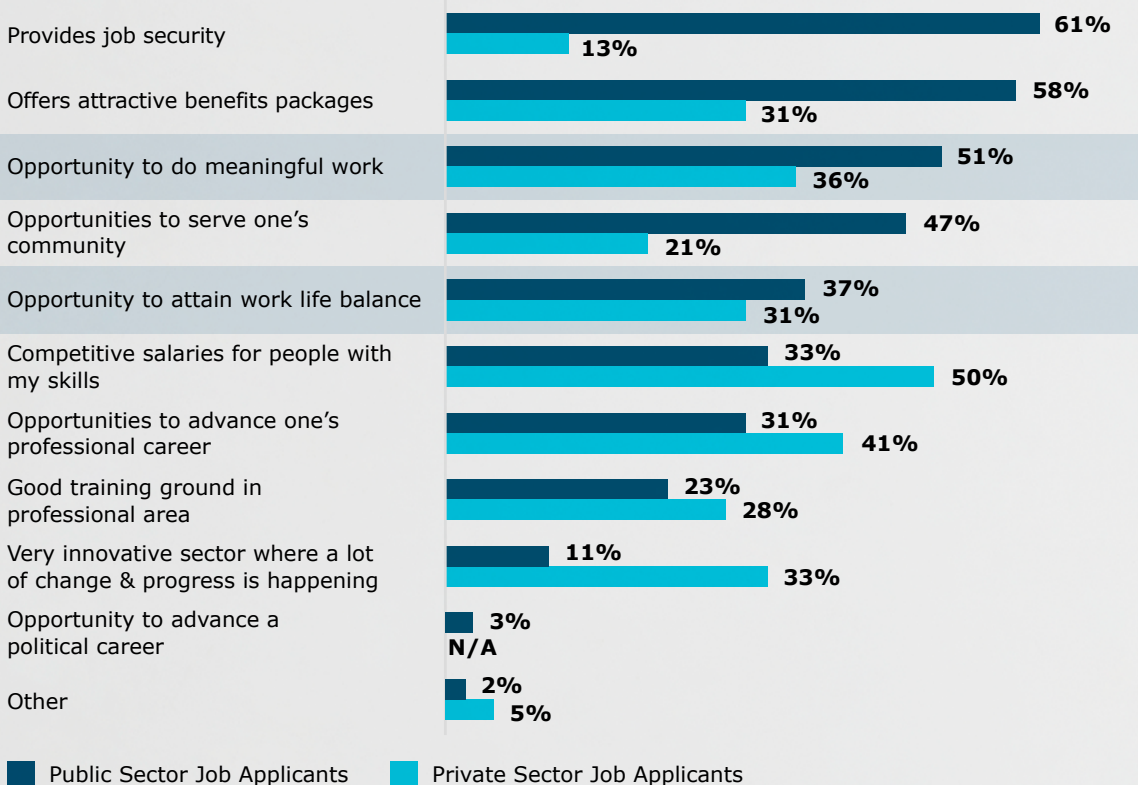
TENNESSEE: Using flexibility as a competitive advantage

As an early adopter of alternative workplace options, Tennessee views this effort as another major initiative in making state government the preferred place to work.

According to Commissioner Oglesby, “The Alternate Workplace Solutions (AWS) program, which **provides employee flexibility and control over their work locations**, is proving to be a powerful tool for recruiting younger workers and for retaining experienced employees, and it is a valuable asset in our competition for talent with the private sector.”

Figure 11. Emphasize the Opportunity to Do Meaningful Work and Attain Work-Life Balance as Attractive Reasons to Work in State Government

Q: What do you find attractive about working in the public sector (local, state, federal government)? (Select all that apply)



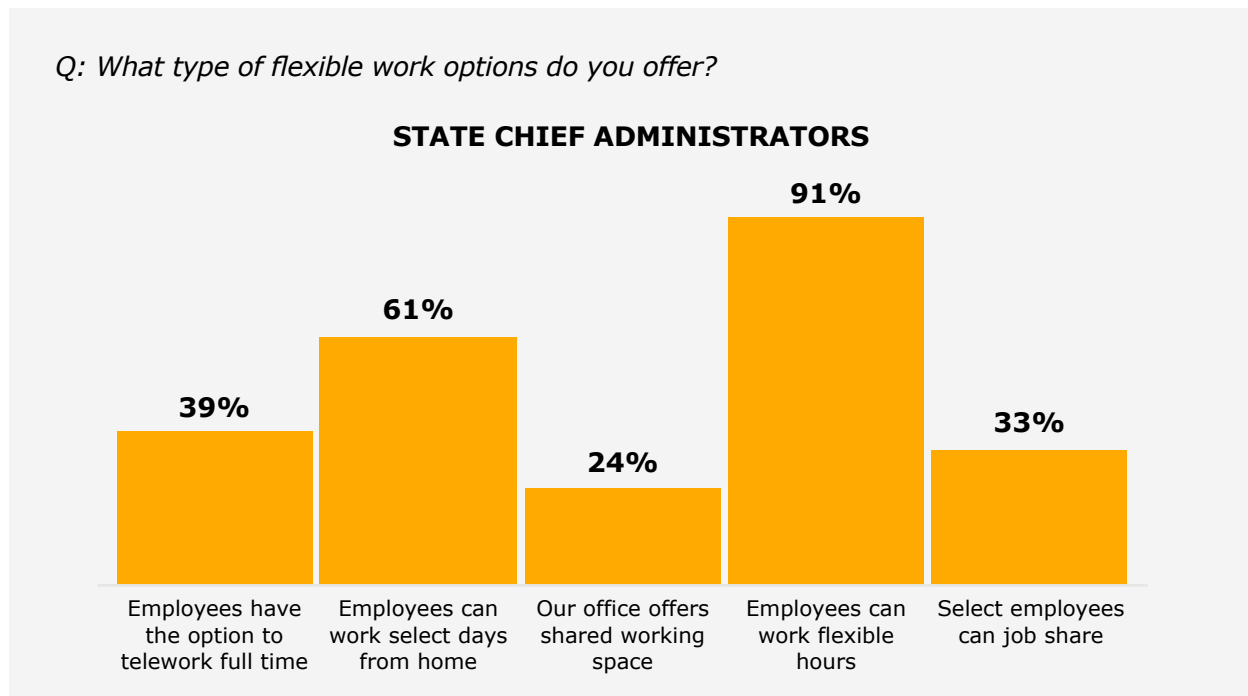
Base: Applied for Jobs Public Sector n= 2,871, Private Sector n=1,246

Source: NEOGOV

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Figure 12. Chief Administrators Report Offering Flexible Work Arrangements

Q: What type of flexible work options do you offer?



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61 percent of states report that employees can work from home on select days, and 39 percent give state employees the option to telework full time

FLORIDA: Tapping the power of telework

As Secretary of Florida Department of Management Services Erin Rock explains, **"We encourage agencies to understand and use telework when appropriate to enhance their ability to recruit and retain the best candidates."** In Florida, our population and therefore our talent, as well as the people we're working to serve, is spread throughout the state in cities, suburbs and rural areas. It's incumbent upon agencies to be prepared with telework arrangements when the agency mission and position duties can accommodate it."



Interesting and varied work. Millennials report strong desire for a variety of opportunities and are less concerned with realizing straight-line career progression.^{xxi} While “lifetime employment” usually connotes progression through the same function in the same organization, it doesn’t have to. In fact, government is very well positioned to offer diverse and exciting work, with talent moving through different roles, functions and agencies across state government.

Imagine the power of an employee value proposition that combines the stability and security of a single employer with opportunities to take on diverse roles and build diverse skills. It’s a proposition that some states are already clearly articulating (see sidebar case study for Minnesota).

From a recruiting standpoint, nearly half of chief administrators surveyed (46 percent) report that they are already very active on social media. More than one-third (36 percent) say they employ the real voices of government workers to highlight the positive aspects of employment with the state (see Figure 13). Build on those efforts with a unified brand—and a compelling, cross-agency value proposition (see sidebar case study for Florida).

MINNESOTA: Unifying the state’s brand

Prior to a rebranding initiative, every agency, board and commission in Minnesota state government had its own logo (or no logo at all). Yet state agencies work together to make life better for all Minnesotans, making the case for a unified brand to help convey that message.

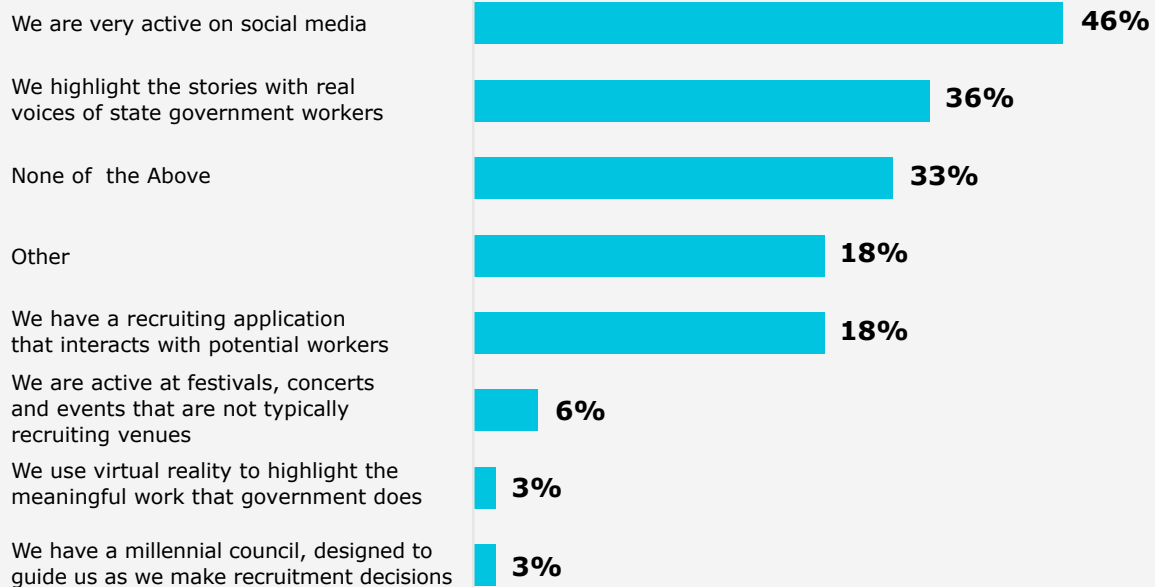
The lack of a cohesive brand had been confusing not only for customers/citizens interacting with state government, but also for job seekers. State leaders wanted prospective candidates to know that state government was one employer and that the state is a great place to start and grow a career.

Having one clear and consistent brand supports the state’s work to recruit and retain the best talent. It also helps shape the story of what makes Minnesota the best state to do business, visit and live.

Figure 13. Fewer Than Half the States Use Social Media as a Recruitment Strategy

Q: What innovative recruitment strategies have you implemented to emphasize and advertise the positive aspects of working for state government? (Select all that apply)

STATE CHIEF ADMINISTRATORS



Source: Accenture survey, fielded October 2018

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Imagine the power of an employee value proposition that combines the stability and security of a single employer with opportunities to take on diverse roles and build diverse skills.

FLORIDA: Getting “social” with candidates

“In our experience, today’s job applicants expect sincerity and truth in advertising. Even though state government is largely one single employer, competition is fierce throughout Florida’s state agencies for top talent willing and eager to work in the public sector,” says Secretary Rock of Florida Department of Management Services. **“We use our social media platforms to showcase our agency’s culture and to help applicants see our duties and responsibilities in a different way.”** Applicants have repeatedly shared that our organization’s candor and sense of humor helped tipped the scale in our favor.”

02 TRANSFORM EMPLOYEE EXPERIENCE

We recommend that once they are actively reshaping recruiting, state governments dig into the rest of the employment lifecycle. Research findings and front-line experiences highlight ways to transform.

Streamline the search

Today's candidates are also digital consumers and citizens. State Chief Administrators should be candid in assessing how current search and application processes compare to digital recruiting and digital customer experiences in other sectors. Chances are, current processes are "clunky" and primed for transformation using modern tools for job search and applying. While this problem may be amplified in the public sector, the private sector faces these challenges, too. Studies have shown that 60 percent of job seekers quit while filling out an online application. Small changes can help. For example, by reducing the length of the application process to five minutes or less, recruiters saw a 365-percent increase in conversion rates.^{xxii} Likewise, as the overall time to hire increases, states are more likely to lose top talent to other jobs (see Figure 14). This is particularly concerning in highly competitive jobs classifications (see sidebar case study for Ohio).

Figure 14. Average Time to Hire Varies Greatly, Ranging from 36 to 120 Days



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OHIO: Ohio State Highway Patrol: Putting new talent in the fast lane

Ohio State Troopers are the best of the best, but as of early 2012, the system for recruiting, testing and processing applicants was going too slowly and getting too costly. It was taking too much time from initial recruitment efforts to confirmation of employment. Process costs were growing, and applicants were having to make multiple trips to Columbus. Many weren't showing up for scheduled applicant visits for interviews and testing.

The Ohio State Highway Patrol (OSHP) leadership took action and organized a Kaizen team of 14 from different parts of the processes, including sergeants, lieutenants, troopers, recruitment specialists, health and wellness coordinators, trainers and deputy directors. Over five intensive days of meetings, the team remapped the entire application process.

Today the **process maintains applicant quality while moving three times faster**—decreasing from an average of about 181 days to a projected 61 days.

That spans from initial recruitment all the way to an applicant being selected to attend the Patrol Academy. The improvements will reduce the average cost per candidate by \$762, according to team calculations. Based on the volume of candidates from previous years, annual savings would average about \$433,000.

In order to simplify the process, the team:

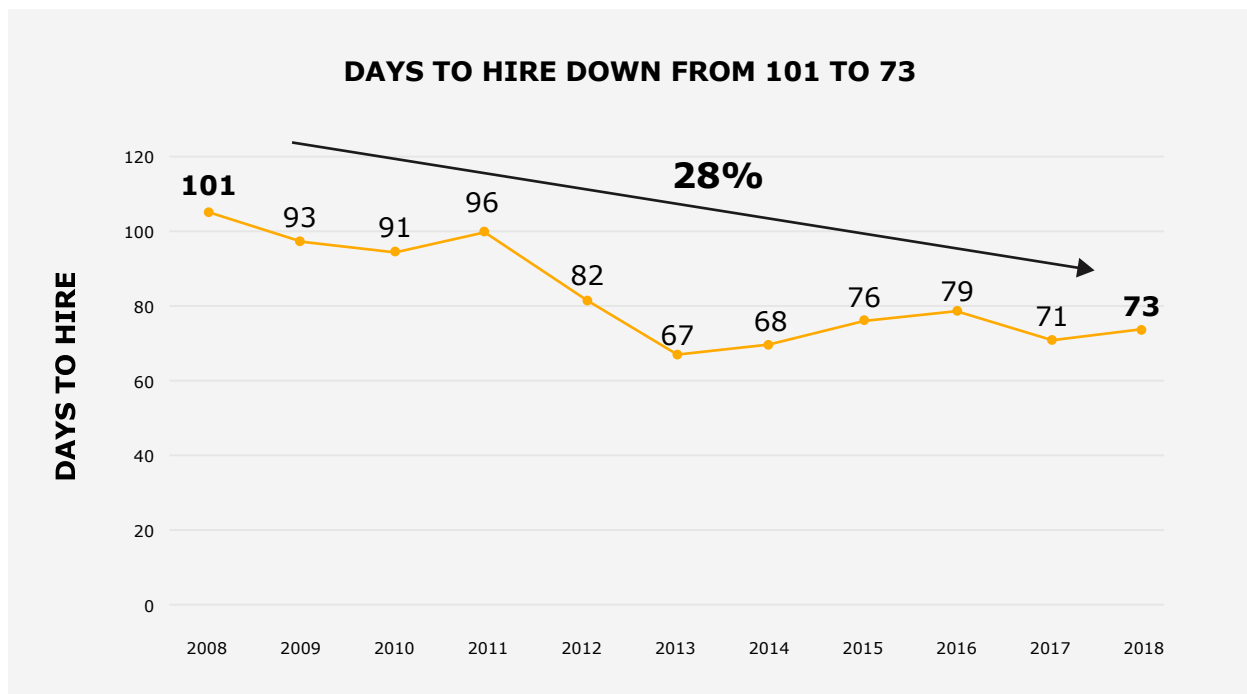
- Reduced the number of process steps from 235 to 34, a 74 percent improvement
- Reduced decision points from 28 to 8, a 71 percent reduction
- Reduced handoffs from 76 to 11, an 86 percent reduction

"We use Kaizen events to bring people together to make improvements.

When the people who do the work are given the opportunity and knowledge to improve their own processes, productivity and efficiency will increase dramatically," reports Administrator Michael Buerger of LeanOhio.

But some states are seeing improvements. Those that have adopted digital and automated recruiting strategies over the past 10 years have seen time to hire improve by 28 percent, with average days to hire decreasing from 101 to 73. Figure 15 shows this impact for 23 states that processed 15,000,000 applicants and made 600,000 hires.

Figure 15. Automation and Digital Strategies Have Helped Reduce Average Time to Hire



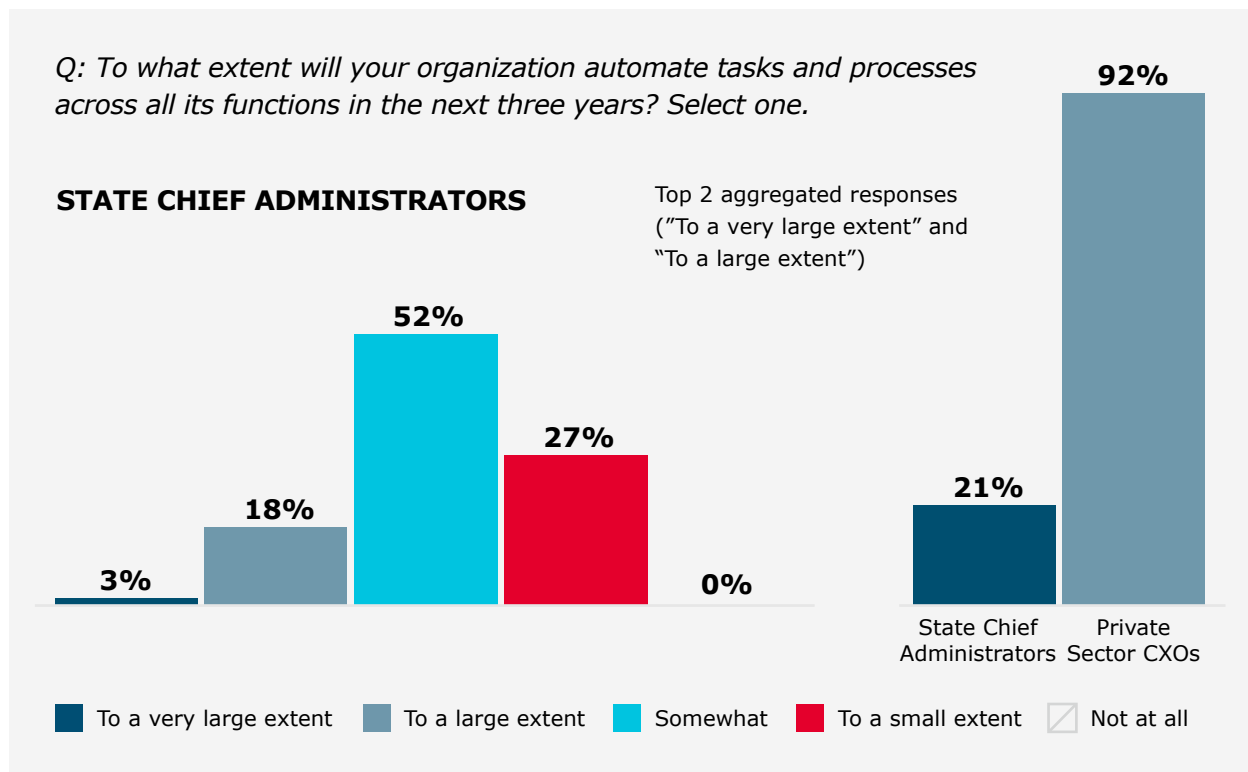
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Improve experience through automation

Compared to state leaders, private-sector CXOs anticipate significantly more automation over the next three years. Fully 92 percent of private-sector executives believe their organization will automate tasks and processes across all functions to a large or very large extent in that timeframe.^{xxiii} Only 21 percent of our government respondents said the same (see Figure 16).

Further, state chief administrators reported that they aren't extensively using artificial intelligence (42 percent to a small extent and 33 percent not at all), machine learning (52 percent to a small extent and 27 percent not at all) or robotic process automation (36 percent to a small extent and 49 percent not at all; see Figure 17).

Figure 16. The Private Sector Has Leveraged More Automation than the Public Sector



Source: Accenture surveys, fielded 2017-2018

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KANSAS: Finding new opportunities through cloud

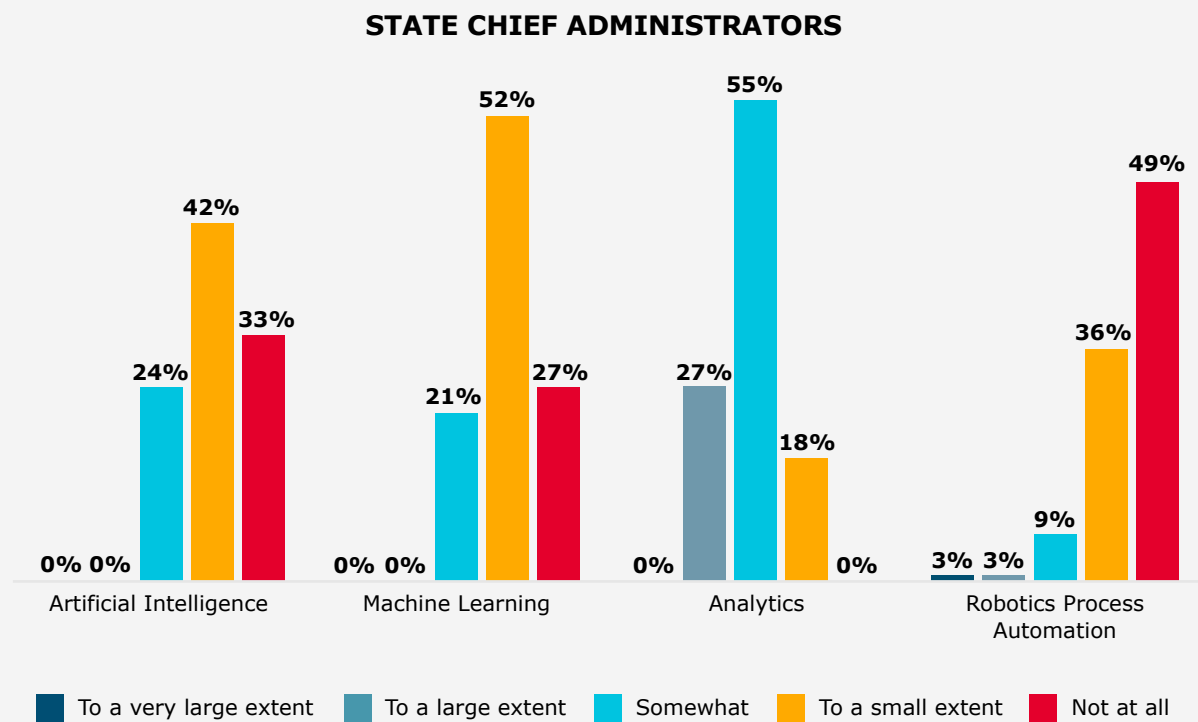
In 2016, the State of Kansas transitioned its finance and HR systems to the cloud and began to see significant benefits in how it could more strategically leverage personnel and other resources. For example, the state began building a new recruitment module for hiring, it developed mobile applications for employee self-service, and it worked on new capabilities involving its business intelligence (BI) analytics and data warehouse.

There was a sense that the Department of Administration was just scratching the surface of the potential surrounding the innovations they could pursue with the increased bandwidth and capabilities. Yet even having the bandwidth to have that dialogue was a luxury (and a byproduct of the new system). As Kansas Secretary of Administration Sarah Shipman notes, "We haven't ever had the time to just sit down and look at all those things [the system can do now] and have the conversation about, 'Okay, what do we want to do next?'"

These are likely missed opportunities. That's because digital transformation, including using automation to augment human resources, is key not only to better serving citizens but also to attracting and retaining a strong workforce.^{xxiv} As part of digital transformation, greater automation helps reduce or eliminate manual, repetitive tasks. That frees state workers to engage in more meaningful activities and make a bigger difference in their communities. Some states are already unleashing automation's potential (see sidebar case studies for California and Kansas). Furthermore, millennials expect the latest technology. Of public sector jobs seekers, 43 percent of 18- to 34-year-olds indicated that the government's readiness to adopt the latest technology had a major impact on their willingness to work in government. That was true of just 35 percent of those 35 or older.^{xxv}

Figure 17. States Report Limited Use of AI, Machine Learning and Robotic Process Automation

Q: To what extent does your organization currently use the following digital technologies?



Source: Accenture survey, fielded October 2018

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Modernize job evaluations

Seventy-six percent of government leaders report that performance evaluations are required in their states. Seventy percent use a standard, state-wide approach; 30 percent use a blend of a standardized tools and an agency-specific process (see Figure 18).

The main driver of the evaluation process: developing and growing employees (cited by 42 percent of respondents). A smaller proportion pointed to engaging and motivating employees (21 percent), making fair decisions regarding pay raises and promotions (15 percent) and recognizing high performers (15 percent; see Figure 19). We suggest states look at the job evaluation process as a strategic tool for employee retention. High-performing employees (that is, those you most want to retain) are more likely to stay if they see some sort of reward or recognition in the evaluation process (and it does not always have to come in monetary form). The “one-size-fits-all” approach to performance evaluation may not best serve states looking to retain top talent (see sidebar case study for Michigan).



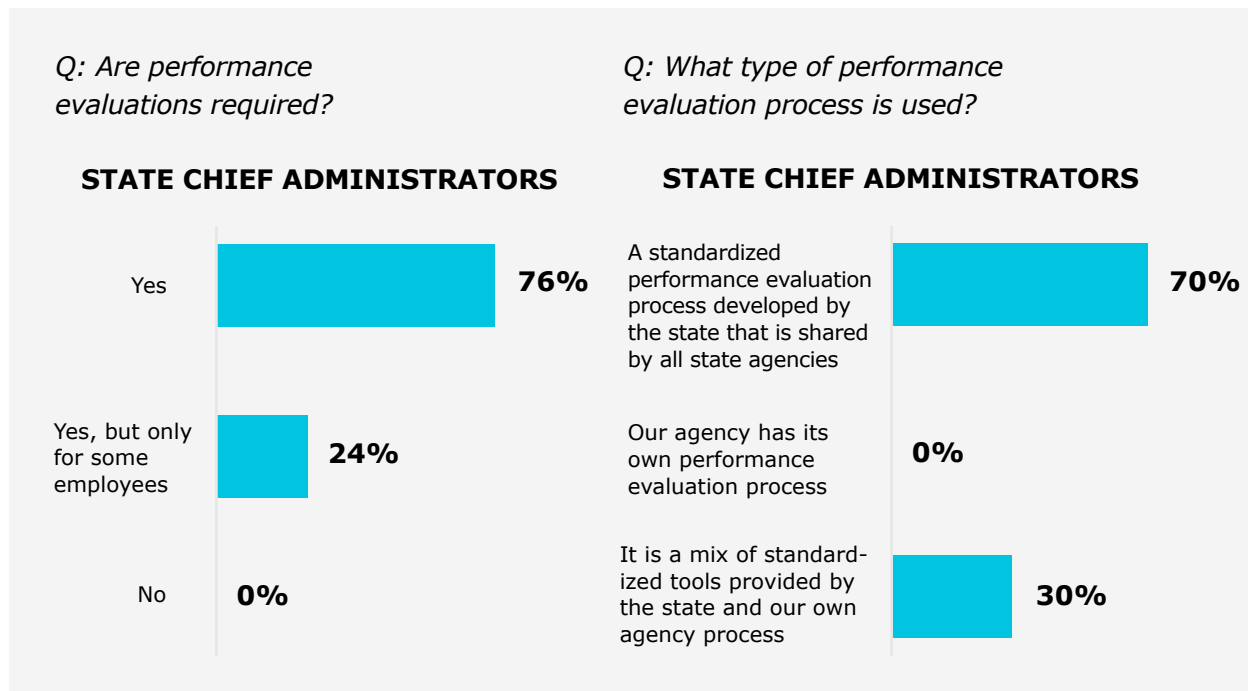
CALIFORNIA: Automating process improvements

California continues to implement workflow automation efforts. For example, California’s secure e-File portal for the Office of Administrative Hearings greatly simplifies administration of case documentation. **The system has reduced processing time by 60 percent by automating many of the manual processes previously performed by staff.** It also eliminated filing and management of hard-copy documents.

In addition, California is rolling out a web portal to state agencies to automate the workflow of the non-competitively bid (NCB) contract justification process. California is also moving forward with e-signature efforts aimed at cutting state and vendor signing times from days to hours.

“We freed up staff from performing routinized, time-consuming administrative tasks so they could provide more value-added analysis and support for our Office of Administrative Hearings,” reports Dan Kim, Director of the California Department of General Services. **“This effort was ‘win-win-win’** insofar as it gave our end users (that is, the general public) customer service self-help tools, it let our administrative staff focus on more value-added functions and develop their own professional skills, and it provided greater analytic support for our Administrative Law Judges.”

Figure 18. States Have Adopted Performance Evaluations and are Using a Standardized Process



Source: Accenture survey, fielded October 2018

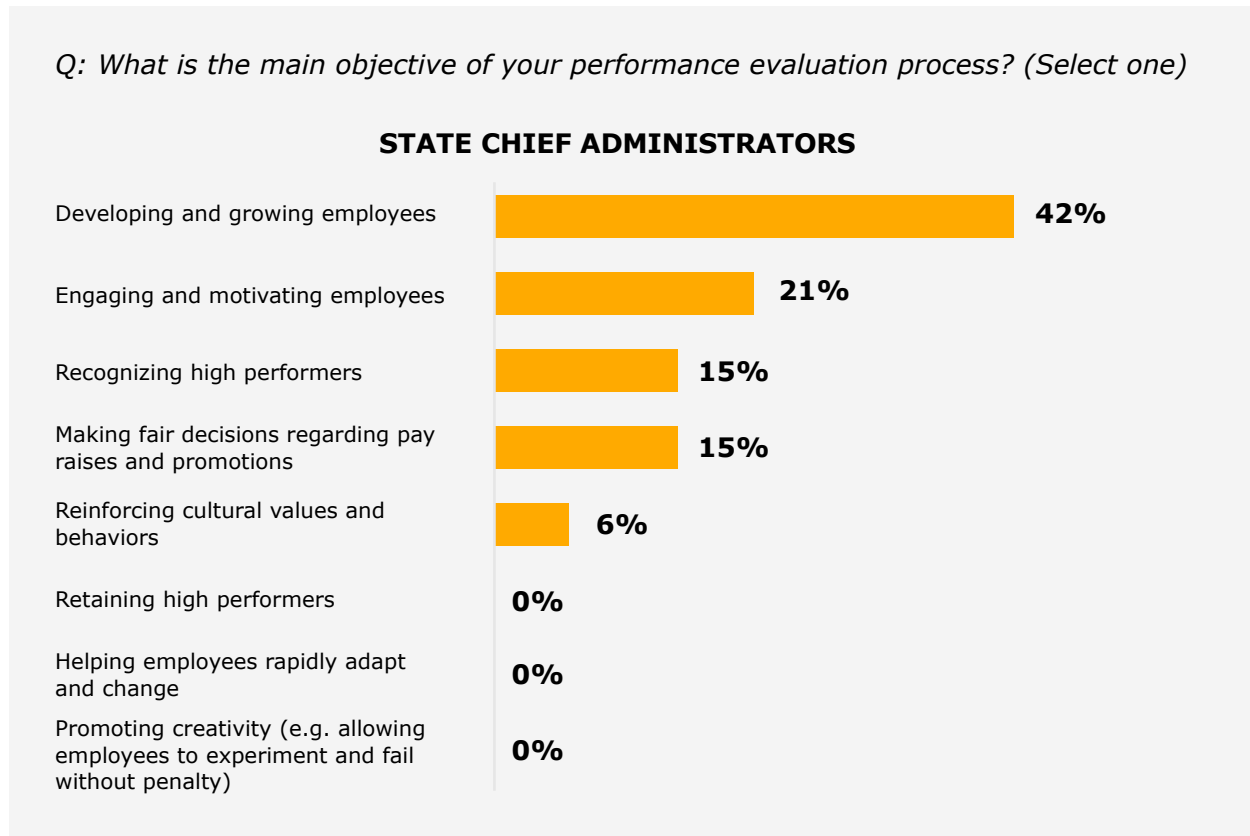
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MICHIGAN: Creating a customer-centric culture

In the State of Michigan, one strategic goal of the Department of Technology, Management and Budget (DTMB) is focused solely on its people: Value, Engage and Empower Employees. In terms of job evaluations, Michigan requires that every employee have an individual performance plan in place that includes SMART performance objectives linked to a DTMB strategic goal or scorecard metric, as well as an individual development training plan. Managers and supervisors are required to meet quarterly with each employee to review performance and development plans, discuss progress and changes, and provide ongoing coaching and feedback. **The state believes in supporting employees' career growth by discussing their goals through the individual performance plan process and meetings.**

States that had a workforce that was more than 50 percent unionized were less likely to complete regular performance evaluations and less likely to tie salary increases to performance evaluations. Given these differences, states with a highly unionized workforce may need to consider a tailored approach that works within the union rules.

Figure 19. Chief Administrators View Performance Evaluation as a Tool to Grow Employees



Source: Accenture survey, fielded October 2018 Copyright © 2019 Accenture. All rights reserved.

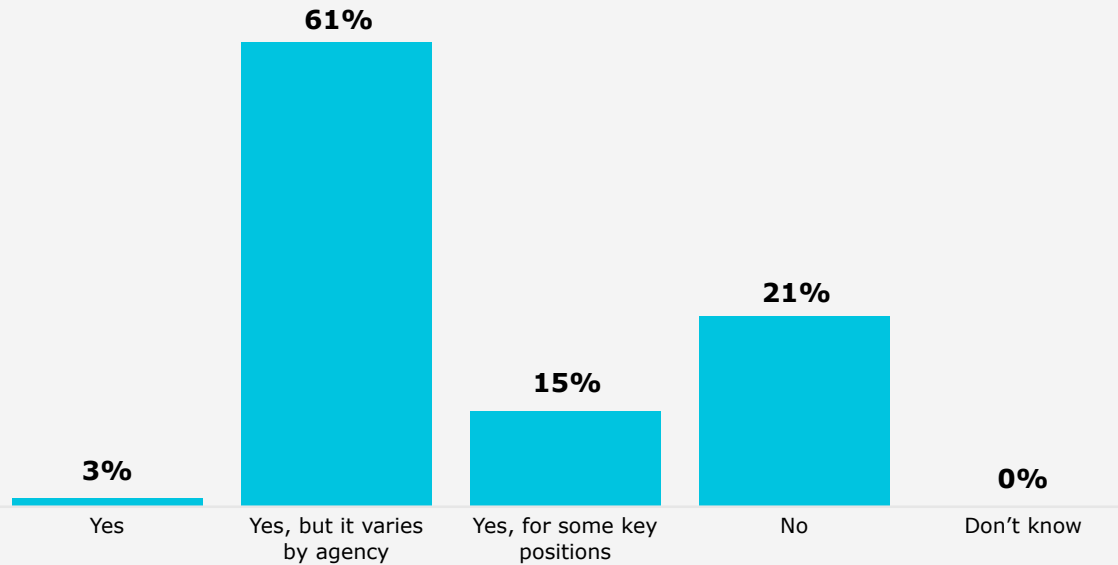
Get serious about succession

Given aging workforces, succession planning—and transfer of institutional knowledge—is more critical than ever. Even so, 61 percent of state leaders report that while they’ve implemented some succession planning it varies by agency (see Figure 20). State Personnel Executives at a 2019 NASPE roundtable echoed the value of more proactive succession planning, but few state leaders expressed strong, on-going efforts.

Figure 20. Succession Planning Varies by Agency

Q: The median age of the public sector workforce is older than that of the private sector. A high number of Baby Boomers are expected to retire in the coming years. Have you implemented any succession planning?

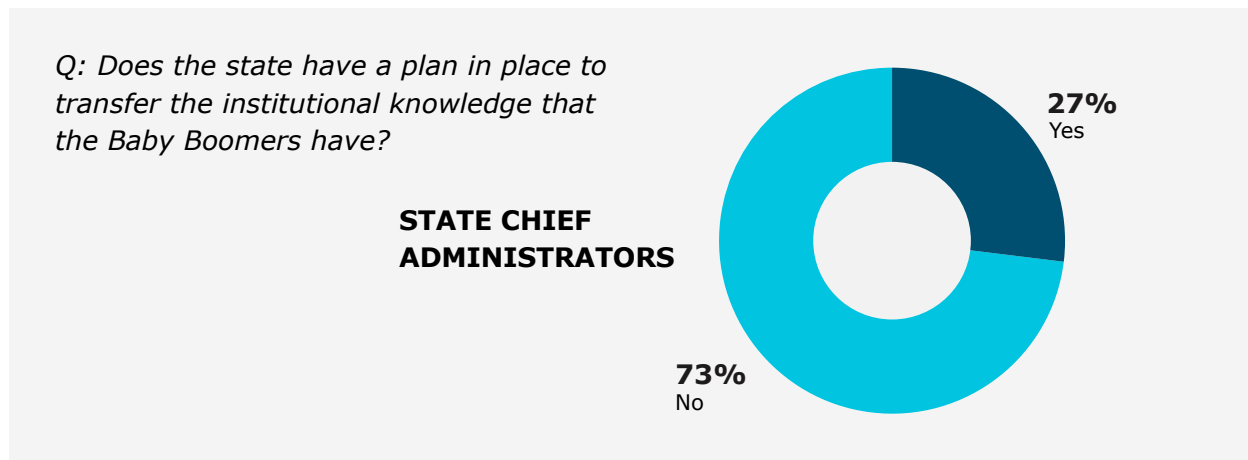
STATE CHIEF ADMINISTRATORS



Source: Accenture survey, fielded October 2018
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And nearly three-quarters (73 percent) lack a plan to transfer institutional knowledge (see Figure 21). Additionally, almost 40 percent of states reported they plan for upskilling to take place through attrition (see Figure 21). A passive strategy is not recommended.

Figure 21. Most States Do Not Have Plans in Place to Transfer Knowledge



Source: Accenture survey, fielded October 2018

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OREGON: Taking a disciplined approach to succession planning

Oregon recently completed its “Audit Recommendation Follow-up: Department of Administrative Services Should Enhance Succession Planning to Address Workforce Risk,” which serves as a roadmap for effective succession planning—a difficult, complex undertaking in the public sector. Oregon’s findings provide eight concrete recommendations, most notably to “develop a statewide workforce succession planning strategy and framework, allow agency flexibility to manage within their unique situations, provide specific toolkits to agencies for succession, regularly communicating (e.g., by publishing online) workforce information to state agencies and stakeholders, such as the Legislature and public, and have public performance metrics outlining succession planning progress.”

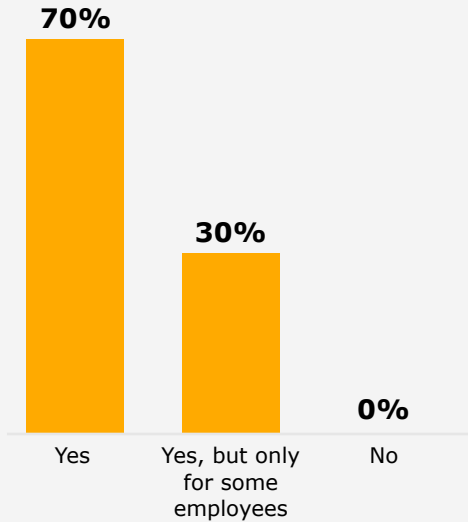
As Katy Coba, Chief Operating Officer of Oregon’s Department of Administrative Services, explains, “**Across state government, our most important asset is our people—and succession planning is key to state government’s future workforce.**” This is why Oregon’s Department of Administrative Services is pleased to have rolled out a succession planning strategy and framework to assist state agencies with succession management.

“DAS is uniquely positioned as the hub of state government, allowing us to provide consistent succession planning guidance while also allowing agencies the flexibility to manage within their unique environments.”

Figure 22. States Lean Towards Attrition to Solve Upskilling Challenge

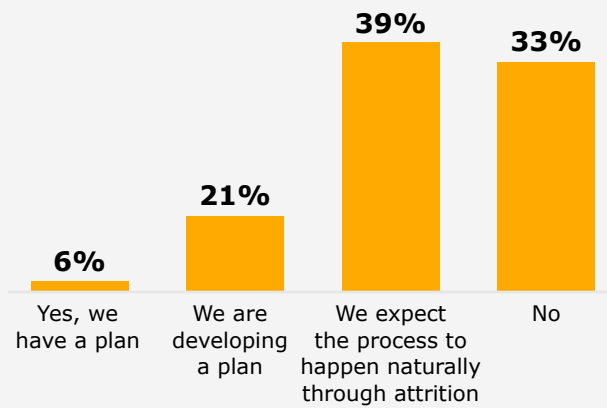
Q: In the next five years do you anticipate roles that are currently citizen facing to become more self-service?

STATE CHIEF ADMINISTRATORS



Q: Do you have a plan to upskill people that are currently working in these citizen facing roles?

STATE CHIEF ADMINISTRATORS



Source: Accenture survey, fielded October 2018
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There are two important aspects to consider when developing a broad strategy for succession planning. First, which jobs/roles need it? Some jobs/roles may work better in the future combined in different ways or automated to a greater extent. Second, after identifying the jobs/roles, what is the most appropriate way to accomplish succession planning and preparation?

State chief administrators suggested a range of techniques, including job sharing, job shadowing, standard operating procedures, cross-training and mentoring programs. Some are also keeping retirees on board as temporary contractors (see sidebar case studies for Oregon and Maine).

One specific issue arose on this topic as we assembled this report. Some states told us they are in fact prohibited from having two people in the same role at the same time, effectively precluding meaningful job succession. To address this challenge, we suggest creating an HR policy that allows for overlap when known key employees are going to retire and institutional knowledge will be lost. In California, for example, the Department of General Services permits selective overlaps so long as the requesting division can cover the cost of both employees.



MAINE: **Attracting a new generation of talent through TechNight**

The State of Maine, Office of Information Technology (OIT) is facing a terrifying phenomenon: 24 percent of its workforce is eligible to retire in the next two years coupled with a large deficit of skilled IT workers. That reality was the driving force behind the implementation of OIT's annual TechNight.

TechNight was launched as one part of a growing, larger initiative within OIT. The larger initiative is focused on educating students and young professionals on the exciting and meaningful opportunities available in the field of IT within Maine state government.

The goal of the initiative: to get and keep the younger generation excited about government careers, inspiring them about technology as a career path and keeping them interested in staying in Maine. The goal of the TechNight event is to show students that a career in IT is more than just the stereotypical "computer programmer" sitting behind a screen coding all day. It brings to life the full range of possibilities—including opportunities for cyber-security experts, business analysts, GIS coordinators, program managers, network engineers and much more.

MICHIGAN: A Bold State in Action


At the State of Michigan, one strategic goal of the Department of Technology, Management and Budget (DTMB) is focused solely on its people: Value, Engage and Empower Employees. Since 2012, DTMB has routinely participated in the State of Michigan employee surveys to help measure and increase engagement throughout the department. Since 2012, DTMB has increased engagement favorability from 75 percent to 83 percent.

To accomplish these gains, DTMB implemented several key initiatives and programs to support its managers and employees. These initiatives include:

- **Leadership training** for all managers and supervisors on such topics as crucial conversations, recognition, communication, delegating and decision-making.
- Issuing **regular departmental e-newsletters** to managers and supervisors to provide them with resources and tools to support their day-to-day communication efforts with staff.
- Requiring that every employee have an **individual performance plan** in place that includes SMART performance objectives linked to a DTMB strategic goal or scorecard metric, as well as an individual development training plan.
- Requiring that managers and supervisors **meet quarterly with each employee** to review performance and development plans, discuss progress and changes and provide ongoing coaching and feedback.
- **Supporting employees' career growth** by discussing their goals through the individual performance plan process and meetings.
- Routinely involving employees in **process improvement workshops** and action planning efforts.
- Providing opportunities for executive leaders to **personally connect with employees** by regularly hosting town halls, brown-bag lunches, all manager meetings, local office site visits and skip level 1x1 meetings.
- Launching a department-wide **employee mentoring program** pilot that focuses on both professional and leadership skills.

"The most engaging opportunities are when we connect face to face with our employees. DTMB has 3,000 employees, and we meet with everyone through a townhall meeting at least once per year. The townhall meetings and brown-bag luncheons are designed to spark conversations, and we always begin them by asking employees, 'How are we doing?' We want to hear from our employees, and this is one way our executive team holds ourselves accountable to them. Our colleagues appreciate the opportunity to sit down together and really be heard," reports Brom Stibitz, Chief Deputy Director, Department of Technology, Management and Budget for the State of Michigan.

The focus DTMB placed on employee engagement helped move employee champion scores from 47 percent in 2012 to 66 percent in 2018. As champions have a high level of engagement and a high likelihood of staying, motivate their colleagues, and apply discretionary effort, this has also played a part in improving DTMB's customer satisfaction scores as rated by its customer agencies. DTMB's customer satisfaction score rose dramatically from 56 percent in 2015 to 71 percent in 2017.



DTMB's customer satisfaction score rose dramatically from 56 percent in 2015 to 71 percent in 2017 due to a multiprong approach to re-imagine state government workforce

PENNSYLVANIA: Please Put on Your Oxygen Mask Before Assisting Others

Eighty percent internal hires rates, dry candidates' pools, internal grudges for stealing good employees, tapping the same experts and staff over and over again for special projects...Pennsylvania had a problem. We were not putting on our own HR oxygen mask before assisting others. Since adopting a shared services model in July of 2017, the HR leadership had been so focused on customer satisfaction during the turbulence that we ignored ourselves! It was time to reinvest and set a renewed standard for HR recruitment and training. We decided on four main initiatives, developed them quickly and put them into flight:

Cohort Hiring and Training: Trying to hire external HR professionals ...forget it! We were stealing from each other or seeing lackluster candidates as the HR exam had been closed for a time and lists were stale. We needed good people and needed them fast. PA made a decision to use a broader trainee job classification, Administration and Management Trainee, to find and hire fresh external talent with a diversity of perspectives. The program consists of a one-year training program with three, four-month rotations. The training is focused on staffing processes and procedures where we have the most change and need for fresh perspectives. We had 195 applicants! They begin in summer 2019 with a February 2020 graduation and, upon successful completion, a permanent assignment in the PA Bureau of Talent Acquisition.

Revival of Successful HR Management Trainee Program (HRMT): This program began in 1998 and has been on hiatus since 2012. It was designed to create a talent pipeline of individuals with a consistent and thorough knowledge base of the commonwealth's human resources function. The program consists of a one-year training period with four three-month rotations in different agencies. There are three required areas (Organizational Management, Employee Relations and Administration) and one Generalist rotation in functional areas that include Safety, Talent Development, Employee Benefits, Talent Acquisition and Policy & Planning. HRMTs receive approximately 40 days of instructor-led training on best commonwealth HR practices, management and leadership theory, and other topics based on identified professional development needs. Upon successful completion of the HRMT Program requirements and associated probationary periods, trainees are assigned to agencies as full-time, permanent employees within HR/EEO. As a twist this year, we are giving opportunities for current HR staff with leadership potential to train with the incoming HRMTs. The relaunched program begins in 2019.

First-Ever Large-Scale HR

Conference: “OneHR: The Future Starts with Us” is the commonwealth’s first pass at a large-scale employee-centric HR conference. In partnership with the Harrisburg University of Science and Technology in Harrisburg, PA, we created a one-day conference featuring both industry leaders discussing the latest trends and topics, as well as internal SMEs hosting sessions on public sector specific content. Topics range from HR data analytics to disability hiring to partnering with the Pennsylvania Commission on LGBTQ Affairs for a session on skills and language to be forward-thinking when it comes to LGBTQ communities within your workplace. We even have HU students showing off their skills in virtual reality training! The day concludes with an employee ceremony to honor our HR customer service rock stars in front of all their peers. The conference is open to both the commonwealth

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forward-thinking when it comes to LGBTQ communities within your workplace. We even have HU students showing off their skills in virtual reality training! The day concludes with an employee ceremony to honor our HR customer service rock stars in front of all their peers. The conference is open to both the commonwealth and private-sector HR professionals. More information about the conference on March 5, 2019, is available at <http://summits.harrisburgu.edu/OneHR/>.

Rapid Learning Series: It’s hard to get clear time and funds to offer learning opportunities to a busy and lean workforce. To make this possible, PA developed the Rapid Learning Series (RLS). RLS is a repository of abbreviated online learning modules featuring content on governing laws and policies, primary functional responsibilities HR employees encounter in their daily work lives. Beginning in 2018, eight web-based trainings (Benefits, Employee Relations, Equal Employment Opportunity, HR Service Center, Organization Management, Talent Acquisition and Planning, Talent Development and Workforce Support) were launched for use as needed at employees’ desks!

JOB ONE: **REIMAGINE**

**Today's State
Government Workforce**

STEP ONE: **BE BOLD** **START NOW**

Job One for states is rethinking their workforces. Step One is to be bold in your approach. Governors, State Chief Administrators, Personnel Executives: Take action today before the gap widens and the compounding challenges lead to an irreparable and costly future.



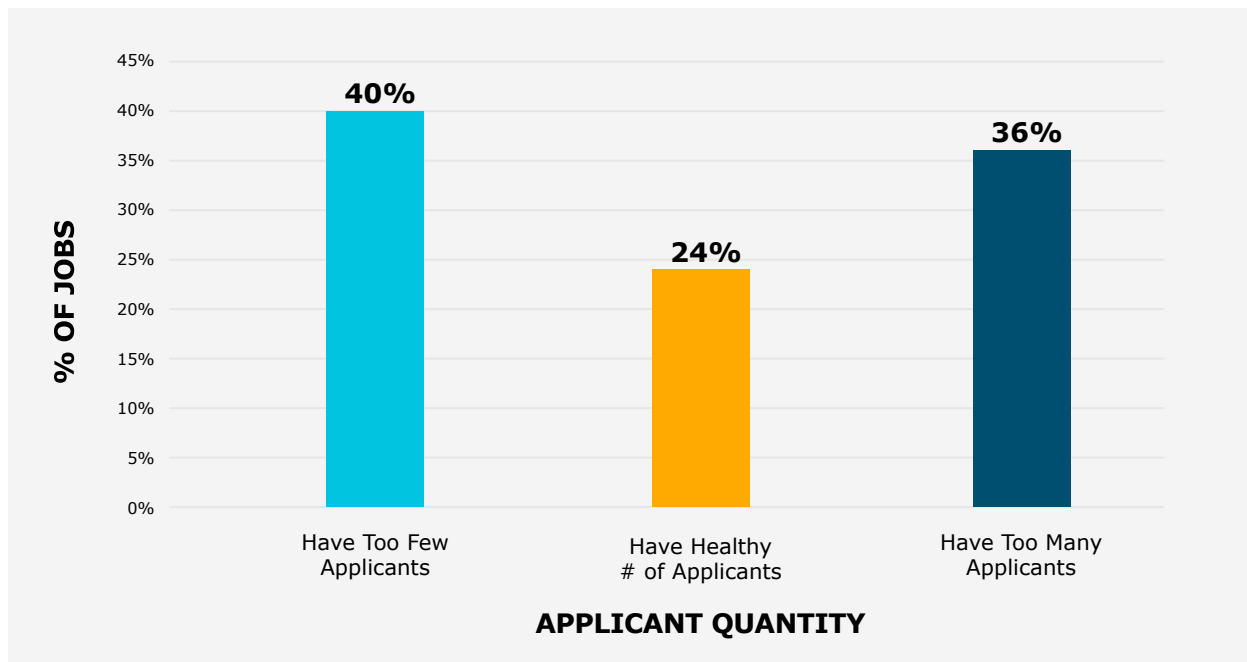
APPENDIX A:

Addressing the applicant “gap”

Emerging technologies can be used to help states make sure they have the best candidates.

Artificial intelligence helped analyze NEOGOV client data spanning 27 state agencies, more than 165,000 jobs and employees hired over the past three years. We used the AI-powered analysis to build a benchmark for the number of applicants states need in order to feel confident that a highly qualified candidate is in the applicant pool for that specific job posting in that specific agency.^{xxvi} The results indicate that 40 percent of jobs posted don’t have enough applicants in the pool when the job advertisement period is closed, while 36 percent have too many (see Figure A1). Real-time trending, powered by AI, shows an employer how their job listing is performing in relation to the benchmarks. Too few candidates may not yield a quality candidate for the role; too many candidates can ultimately slow down the hiring process, which can result in high quality candidates self-selecting out of the job.

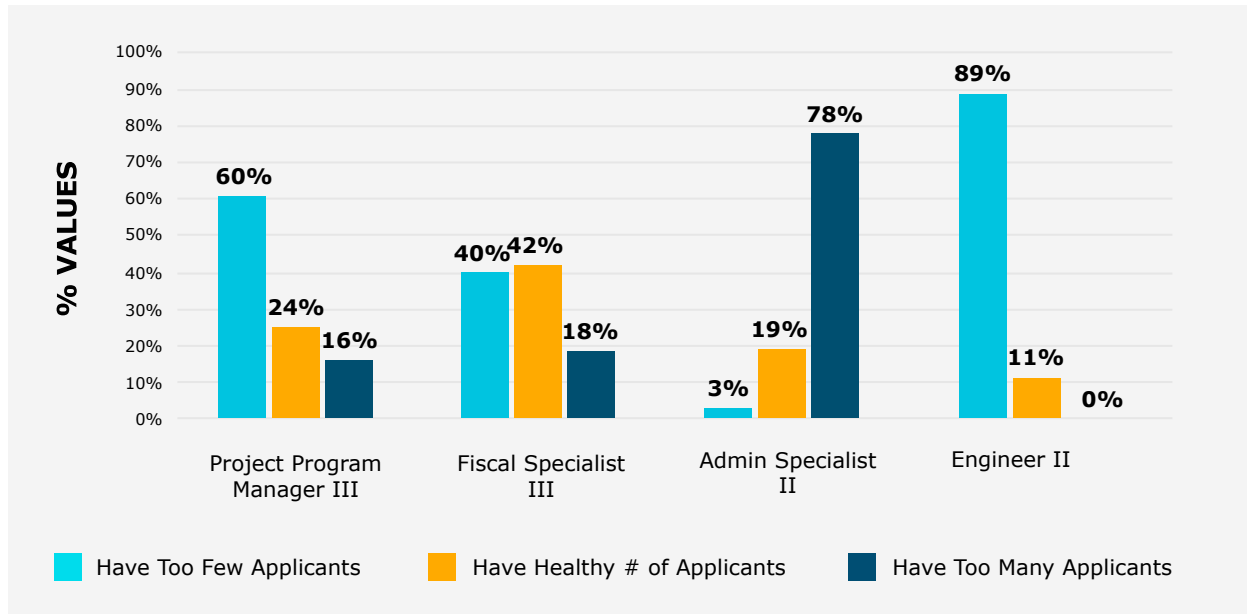
Figure A1. Health of Applicant Pool



Source: NEOGOV

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Furthermore, AI is indicating that it isn’t one job class being below or above target but rather each job class can be both below and above target applicant levels. In other words, sometimes when a nurse position is posted, it needs more candidates and other times there are too many. Tracking this can help increase efficiency and gain the most qualified applicants (see Figure A2).

Figure A2. Health of Applicant Pool – Detailed View

Source: NEOGOV

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Tracking this information is essential to know when to extend or increase advertising for positions and when to shut down an advertising period (if not required by law to stay open for a certain period). For instance, if it is predicted that the number of applicants will be 10 applicants short and it will take another 10 days to collect those 10 applicants, the advertising period should be automatically extended the 10 days. If the delta is greater than 10, advertising the job across different channels may be prudent. Conversely, if the number of applicants greatly exceeds the target, pulling down the advertising (where possible) may be prudent because increased applicants extends the hiring periods and, in many cases, results in qualified candidates exiting the process as they have found employment elsewhere. By acting on this data, states can recruit more efficiently and work toward higher-quality applicants.

APPENDIX B:

Detailed State Data by Job Classification – Applicants vs. Jobs

We took data from 27 state agencies across a five-year period (January 2013 to December 2017). These agencies have been live with NEOGOV's Insight since at least 2012. The data spans more than 259,911 jobs with 14,910,284 applicants.

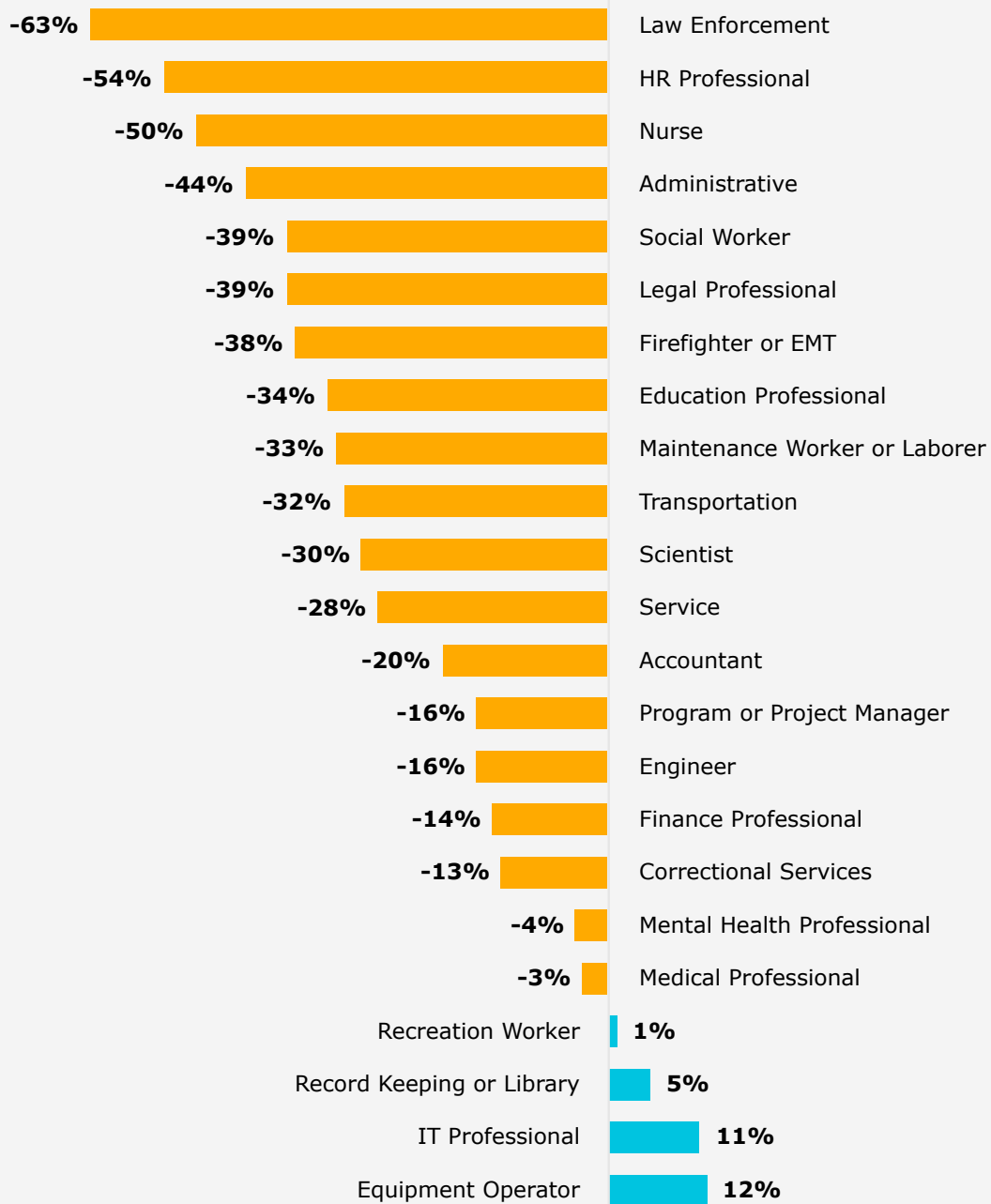
CATEGORY	2013	2014	2015	2016	2017
Applicant Percentage Change	0%	-9%	-20%	-24%	-24%
Job Postings Percentage Change	0%	8%	5%	6%	11%

Source: NEOGOV

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PERCENT CHANGE IN APPLICANTS BY JOB TYPE
(January 2013 to December 2017)



Source: NEOGOV

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About the Research

Accenture, NEOGOV and NASCA launched multiple research projects to provide a well-rounded view of the challenges facing state governments:

- From August to October 2018, Accenture and NASCA surveyed state chief administrators and HR directors in 33 states on the future of their workforce. The survey included questions that aligned with Accenture's global study as reported in [Reworking the Revolution](#), enabling comparison between state government executives and commercial C-suite leaders.^{xxvii}
- From September to October 2018, NEOGOV survey 2,959 job seekers across multiple age groups seeking jobs across all major job classes in state government.
- From 2013 to 2018, NEOGOV analyzed the recruitment data from 27 state agencies representing 259,911 job hires with 14,910,284 applicants. For further details and insights on this study see [NEOGOV's Job Seeker Report](#).

We would like to thank the leaders who shared examples of the workforce initiatives underway in their respective states. Their stories are intended to serve as illustrations and in no way represent a comprehensive view of the work underway across state governments. Finally, we would like to acknowledge the National Association of State Personnel Executives (NASPE) for their assistance in the dissemination of the survey to HR executives, reviewing multiple drafts, and allowing NASCA to workshop the findings at the 2019 Mid-Year Conference where over 20 states were represented.

About NASCA

Founded in 1976, the National Association of State Chief Administrators (NASCA), is a nonprofit, 501(c)3 association representing state chief administrators—public officials in charge of departments that provide support services to other state agencies. NASCA provides a forum to exchange information and learn new ideas from each other and private partners. NASCA's mission is to help state chief administrators and their teams strategically transform state government operations through the power of shared knowledge and thought leadership. For more information, visit www.nasca.org.

About Accenture

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world's largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With 469,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.

About Accenture Research

Accenture Research shapes trends and creates data-driven insights about the most pressing issues global organizations face. Combining the power of innovative research techniques with a deep understanding of our clients' industries, our team of 250 researchers and analysts spans 23 countries and publishes hundreds of reports, articles and points of view every year. Our thought-provoking research—supported by proprietary data and partnerships with leading organizations such as MIT and Singularity—guides our innovations and allows us to transform theories and fresh ideas into real-world solutions for our clients. Visit us at www.accenture.com/research.

About NEOGOV

NEOGOV is the leading provider of an integrated HR, payroll, and talent management solution for the public sector. NEOGOV customers report increased employee productivity and engagement, time and cost savings, improved regulatory requirement compliance, and reduced paper processes, with a net result of better services for citizens. Serving over 6,000 organizations, NEOGOV supports organizations with intelligent HR for the public sector. More information at www.neogov.com.

Resources

- ⁱ U.S. Bureau of Labor Statistics, Current Population Survey (last updated February 9, 2018). <https://www.bls.gov/cps/tables.htm>
<https://www.bls.gov/cps/cpsaat18b.htm>
- ⁱⁱ As reported through interviews with Chief Administrative Officers (CAOs)
- ⁱⁱⁱ Analysis of state government data by NEOGOV
- ^{iv} NOTE: This is an aggregate finding. In reality, the “gap” can vary greatly from one jurisdiction to the next and even from one job classification to the next within a single jurisdiction. Thus, it’s important to find the “right” number of job applicants to maximize the likelihood of finding the best talent. For further information please see APPENDIX A: Addressing the “gap” in applicants for job postings.
- ^v For more information, see APPENDIX B: Detailed State Data by Job Classification
- ^{vi} According to the Bureau for Labor Statistics, from 1998 to 2011, the monthly employee contribution for state and local government employees increased from \$31.94 to \$90.90 for single coverage. Individual deductibles also increased by \$300. For more information, see Beyond the Numbers (June 2012), <https://www.bls.gov/opub/btn/volume-1/how-have-health-benefits-changed-in-state-and-local-governments-from-1998-to-2011.htm>
- ^{vii} Bureau of Labor Statistics, The Economic Daily (May 3, 2017). <https://www.bls.gov/opub/ted/2017/three-quarters-of-state-and-local-government-workers-were-in-defined-benefit-pension-plans-in-2016.htm>
- ^{viii} Center for State and Local Government Excellence, Issue Brief: How Have Pension Cuts Affected Public Sector Competitiveness?, April 2018, <https://slge.org/resources/how-have-pension-cuts-affected-public-sector-competitiveness>
- ^{ix} Shook, Ellyn and Knickrehm, Mark, *Harnessing Revolution: Creating the future workforce*, Accenture 2017, https://www.accenture.com/us-en/_acnmedia/A2F06B52B774493BBBA35EA27BCDFCE7.pdf#zoom=50
- ^x National Association of State Personnel Executives (NASPE)
- ^{xi} U.S. Bureau of Labor Statistics
- ^{xii} Ibid
- ^{xiii} Ibid
- ^{xiv} World Economic Forum, The Future of Jobs 2018 http://www3.weforum.org/docs/WEF_Future_of_Jobs_2018.pdf
- ^{xv} NEOGOV survey, fielded September to October 2018
- ^{xvi} *Reworking the Revolution*, Accenture 2018, <https://www.accenture.com/us-en/company-reworking-the-revolution-future-workforce>
- ^{xvii} NEOGOV survey, fielded September to October 2018
- ^{xviii} <https://www.youtube.com/watch?v=BQ4ZJiAv0v4>
- ^{xix} NEOGOV survey, fielded September to October 2018
- ^{xx} Ibid
- ^{xxi} *Harnessing the Revolution, Creating the future workforce*, Accenture 2018
- ^{xxii} Study: Most Job Seekers Abandon Online Job Applications <https://www.shrm.org/ResourcesAndTools/hr-topics/technology/Pages/Study-Most-Job-Seekers-Abandon-Online-Job-Applications.aspx>
- ^{xxiii} *Reworking the Revolution*, Accenture 2018, <https://www.accenture.com/us-en/company-reworking-the-revolution-future-workforce>
- ^{xxiv} For more insights about how to prepare state government workforces as intelligent technologies automate and augment human work, see *It’s learning. Just not as we know it*, Accenture 2018, <https://www.accenture.com/us-en/insights/future-workforce/transforming-learning>
- ^{xxv} NEOGOV survey, fielded September to October 2018
- ^{xxvi} Analysis of state government data by NEOGOV
- ^{xxvii} For more information, see *Reworking the Revolution*, Accenture 2018, <https://www.accenture.com/us-en/company-reworking-the-revolution-future-workforce>