

BY JOSHUA FRANZEL

Amid continued uncertainty, one thing is certain: the future of work doesn't look like its past. With insights from recent research and a roundup of trends, this article examines how the public sector is shifting its approach to recruitment, retention, and employee engagement.

In spring and summer 2022, more than two years since the declaration of the COVID-19 public health emergency, state and local governments across the country find themselves in one of the most challenging workforce development environments they have faced in the last 50 years. According to the U.S. Bureau of Labor Statistics (BLS) Current Employment Statistics survey, as of April 2022, the sector remained approximately 700,000 positions down from its all-time peak in February 2020, with reductions across most of the major public sector industries—education, general administration, utilities, and transportation. This continued decrease is the result of a range of factors including in-person

staff reductions implemented during the early stages of the pandemic; constrained compensation structures; medium- and longer-term budgetary concerns; heightened competition for skilled employees among the public, private, and nonprofit sectors; and unprecedented levels of job openings and turnover.

Through its monthly Job Openings and Labor Turnover Survey, BLS tracks major, standardized job change categories by sector and industry going back to 2000. When analyzing the rates of openings and turnover over time, several noteworthy trends surface. As of the May 2022 survey release, which reflected data up through March 2022, the *job opening rate* was at its highest point in more than 20 years from December 2021 to February 2022,

The Public Sector Workforce of Tomorrow

Key management considerations for recruitment and retention in a post-pandemic environment

while *hiring* was at its highest rate toward the end of this three-month period. At the same time, the *quit rate* was at a 20-year high in October 2021 and the *other separations rate*, which includes retirements, had a 20-year peak in summer 2020 (which coincided with the conclusion of the first school year of virtual learning for many districts). Relatedly, in the MissionSquare Research Institute, International Public Management Association for Human Resources, and National Association of State Personnel Executives' annual workforce survey for 2022, 53 percent of human resource directors reported that retirement-eligible employees were accelerating their retirements, up from 12 percent following the Great Recession.

WORKFORCE DRIVERS

To better understand how the pandemic has been affecting the state and local sector and what is driving this workforce churn, over the past two years MissionSquare Research has surveyed state and local employees approximately every six months, starting in May 2020. This work provides additional context regarding the push and pull factors related to public service in the current labor market.

When focused on employee feelings about working in the public sector during COVID-19, the following percentages come from the most recent, November/December 2021 version of this survey series. Unless otherwise noted, the percentages have been mostly stable since the questions were first asked in May 2020:

- ➔ **59 percent** valued serving their communities during a difficult time.
- ➔ **54 percent** felt that the risks taken working during the pandemic were not on par with their compensation, a percentage that has increased from 32 percent in May 2020.
- ➔ **47 percent** believed the pandemic has made the public more aware of the importance of what they do.
- ➔ **42 percent** viewed working in the public sector during the pandemic as a source of pride.
- ➔ **37 percent** felt the pandemic has made their work more meaningful.
- ➔ **36 percent** reported that working during the pandemic has made them consider changing jobs—this is up from 20 percent in May 2020.



How and where work is conducted is being reevaluated. This is a trend that started before 2020, but it has been accelerated by the pandemic.

When asked about opinions of their jobs, as of November/December 2021, 17 percent of state and local workers were extremely satisfied with their public employers, 32 percent very satisfied, and 33 percent somewhat satisfied. Contributing to these levels of approval, the top five job elements employees were most pleased with were: job security (64 percent of employees), leave benefits (60 percent), health insurance (59 percent), ability to serve the community (55 percent), and insurance such as life, dental, vision, and disability (55 percent). Also, 51 percent were satisfied with their retirement benefits, 45 percent with work/life balance, 31 percent with their salaries, and 30 percent with non-traditional benefits such as tuition/student loan assistance, employee assistance programs, and childcare assistance. When asked about improvements their employers could make to reduce employee stress brought on by the pandemic, the top solutions offered by these workers were salary increases, hiring more staff or reducing workload, providing emotional support in the form of acknowledgment and encouragement, and allowing remote work.

In terms of job separations, among the 36 percent who were considering changing jobs in November/December 2021, 25 percent were considering leaving the government entirely, 21 percent wanted to

stay in the same line of work but with a different employer, 19 percent wanted to stay with their public employer but in a different capacity, and 18 percent wanted to make an industry or department change but stay in the sector overall. When asked about why they were considering changing jobs, the top reasons listed were higher salaries or better benefits packages, being burned out from stress from their public service during the pandemic, needing more work-life balance, and wanting more remote work.

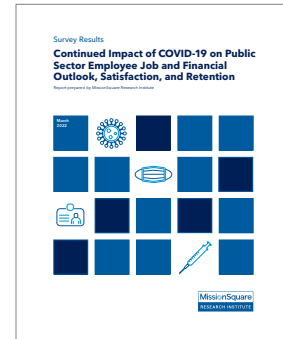
Almost a third of employees (32 percent) were considering retiring, and 28 percent were considering leaving the workforce for the foreseeable future. Top reasons for these considered separations included burnout from job stress during the pandemic, wanting more time for things that bring them joy, and tensions experienced when working with the public.

PUBLIC MANAGEMENT CONSIDERATIONS

Certain public management considerations surface as governments plan to develop their future workforces to effectively provide essential services to residents, while also contending with increased employee separations and competition with other sectors. The

following brief selection of themes is based on information learned from recent MissionSquare Research Institute surveys, focus groups, and analyses of the latest workforce data. States and localities are enhancing their focus on what a modern compensation and benefits package looks like. At the same time, employees now have different expectations for time spent in public service (often with shortening tenure lengths) and how this affects retirement security in the future. Employees are also evolving in how they prioritize their needs pertaining to traditional benefits (retirement, health) relative to non-traditional benefits (student loan repayment, subsidized childcare) and the renewed evaluation of wages against the backdrop of inflation and private-sector competition.

Leaders in all areas of the public sector are looking for ways to improve employee recognition, often with emphasis on public servants' impact on the community. While wage and benefit compensation is certainly important, employees are looking for support and feedback from their employers that showcases the important work they are doing for residents and their colleagues alike.



READ THE FULL REPORT

Mission Square's March 2022 report, "Survey Results: Continued Impact of COVID-19 on Public-Sector Employee Job and Financial Outlook, Satisfaction, and Retention," is available at mission-sq.org/covid19report_research.

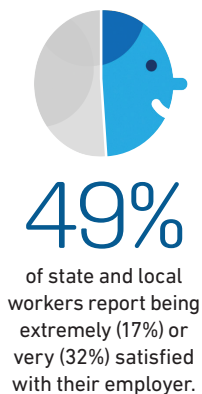
How and where work is conducted is being reevaluated. This is a trend that started before 2020, but it has been accelerated by the pandemic. Many governments are considering or implementing regular hybrid scheduling (a combination of both in-person and remote work), flexible scheduling, and flexible work hours to recruit and retain talent. Also, the number of employees and position types eligible for these arrangements continues to increase.

CONCLUSION

Public entities are updating their recruitment and retention processes. This can involve reevaluating what job requirements are truly essential to successfully fill and thrive in a certain public-sector role, strategically planning for staff transitions, and expanding outreach to candidates and communities that traditionally have not considered public-sector employment.

Joshua Franzel is the managing director of MissionSquare Research Institute, formerly the Center for State and Local Government Excellence at ICMA-RC (SLGE).

BY THE NUMBERS | PUBLIC SECTOR JOB SATISFACTION (NOV/DEC 2021)



TOP 3 sources of job satisfaction:

JOB SECURITY **64%**

LEAVE (VACATION, PTO, SICK DAYS, ETC) **60%**

HEALTH INSURANCE **59%**



LOWEST 3 sources of job satisfaction:

SALARY **31%**

NONTRADITIONAL BENEFITS **30%**

POTENTIAL FOR ADVANCEMENT **30%**

SOURCE: MISSIONSQUARE RESEARCH