

Trends **Alert**

Critical information for state decision-makers



State Employee Worker **Shortage**

*the **impending crisis***



The Council of
State Governments



National Association of
State Personnel Executives

State Employee Worker Shortage

the impending crisis

BY JAMES B. CARROLL
AND DAVID A. MOSS

OCTOBER 2002



The Council of State Governments
2760 Research Park Drive P.O. Box 11910
Lexington, KY 40578-1910
p: 859.244.8000 f: 859.244.8001
e: csg@csg.org www.csg.org

Manufactured in the United States of America

All rights reserved. Inquiries for use of any material should be directed to: The Council of State Governments, 2760 Research Park Drive, P.O. Box 11910, Lexington, KY 40578-1910, 859.244.8000

Publication Sales Order Department 1.800.800.1910
E-mail: sales@csg.org

TABLE OF CONTENTS

State Employee Worker Shortage.....	1
Employee Retirement	2
Workforce Composition.....	2
Budgetary Constraints	3
Planning for the Future	5
State by State Review	6
Alabama–Arkansas	7
Arizona–Kansas.....	8
Kentucky–New Jersey	10
New Mexico–Rhode Island	12
South Carolina–Wyoming	14
Appendix and Notes	16

State Employee Worker Shortage

Estimates show that state governments could lose more than 30 percent of their workforce by 2006, according to the National Association of State Personnel Executives.

Although many states have yet to experience a worker shortage, the recent Council of State Governments survey reveals several factors that combine with current labor conditions to foreshadow a crisis. These factors are:

- the rate of employee retirement,
- the composition of the current state workforce, and
- budget problems.

EMPLOYEE RETIREMENT

A large number of state employees who are currently eligible for retirement and even higher future estimates will contribute to the worker shortage crisis. The number of state employees eligible to retire varies greatly across the states, with some having significantly high rates. At least three states could lose more than 40 percent of their workforce immediately (*see Figure 1:1*). These numbers include individuals who qualify for early retirement. Despite extremely low numbers in several states, more than 21 percent of the entire state government workforce could retire this year.

The estimates regarding the future rates of employee retirement are even higher. Analysts calculate these rates based on the composition of the present workforce and factors such as the average age and average years of service of current employees. According to this data, at least 10 states (Iowa, Kansas, Montana, North Dakota, New Jersey, New York, Oklahoma, Pennsylvania, Rhode Island and Washington) risk suffering a severe worker shortage within 10 years.

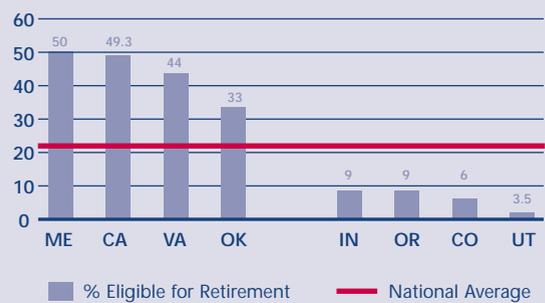
WORKFORCE COMPOSITION

The composition of the present workforce will impact the future worker shortage. Like the private-sector workforce, the average age of the state government workforce is steadily climbing. The baby boomer generation, i.e., those individuals born between 1946 and 1964, comprises the largest portion of the U.S. labor force. In fact, the national average age of the state government workforce falls in the center of this generation's age range (*see Figure 1:2*). Led by Ohio and Rhode Island at 48 years, the East and Midwest regions reported the highest average age.

Average years of service can be a double-edged sword for any public- or private-sector organization. Although the workforce gains experience and institutional knowledge each year, eventually a significant portion of the qualified workforce begins to seek retirement, leaving

Figure 1:1

Percent of State Employees Eligible for Retirement
States with the Highest and Lowest Percentages



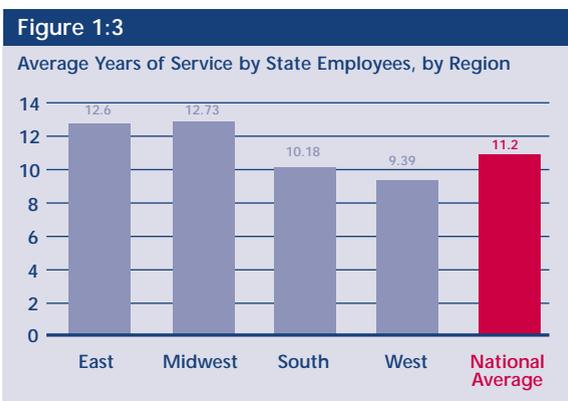
source: Survey by The Council of State Governments and NASPE

Figure 1:2

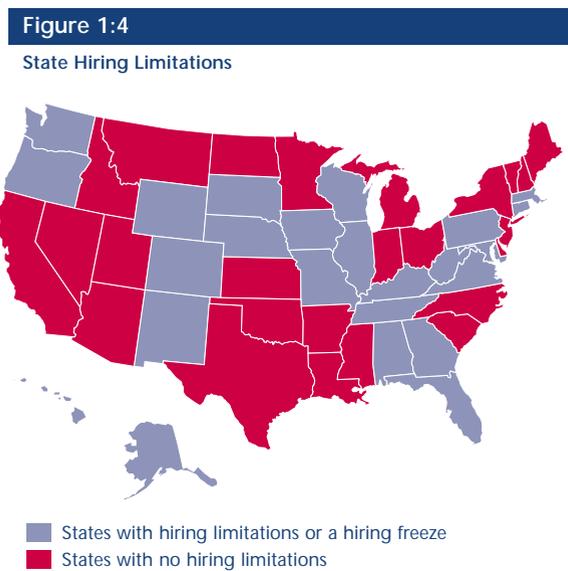
Average Age of State Employees, by Region



source: Survey by The Council of State Governments and NASPE



source: Survey by The Council of State Governments and NASPE



source: Survey by The Council of State Governments and NASPE

a less-trained workforce. The reported data for the average years of service by state employees highlights the impending state worker shortage problem (see Figure 1:3).

Even though a national average significantly lower than the current 11.2 years would not be ideal, states should plan now for this number to increase steadily. The Midwest leads with the most experienced workforce as every state within the region reported an average of more than 10 years. Rhode Island reported the highest figure, citing an average of 15 years of service per state employee.

Although the need for state employees to fill the gap left by retiring employees is already a problem, the composition of the current workforce, as revealed in the survey data, signals an employee shortage crisis in a majority of states in the near future.

BUDGETARY CONSTRAINTS

Forty-five states have faced serious budget difficulties during the past two years that will impact their ability to properly address the state worker shortage. The National Association of State Budget Officers estimates a \$25 billion net revenue loss for the states collectively in fiscal year 2002.¹ Virginia alone estimated lost revenue of \$1.8 billion because of Sept. 11, 2001. In 2002, California encountered a \$22 billion budget shortfall. After budget analysts estimated that Illinois would receive \$650 million less revenue during this fiscal year than originally predicted, Illinois Gov. George Ryan cut \$725 million of his state's new spending for 2003.²

Adding to the current budget crunch are the extra security measures implemented by each state under the guidance of the U.S. Office of Homeland Security. The National Governors Association estimated costs for heightened security could reach \$4 billion for 2002.³



State economies showed signs of a downward trend before the terrorist attacks occurred on Sept. 11, 2001. In fact, before the attacks several states acknowledged potential budget cuts as high as 3.8 percent, while other states speculated that earlier estimates of incoming state revenue could be off by as much as 8.2 percent.⁴ While the federal government will share the costs/expenses, these expenditures will affect state budgets.

Because of budget cuts, many state agencies face new spending limitations. For example, 27 states have enforced some type of mandatory hiring limitations or an outright hiring freeze (see Figure 1:4). If these state-imposed hiring limitations remain in effect for a significant period of time, the lack of new state employees would perpetuate the state worker shortage crisis.

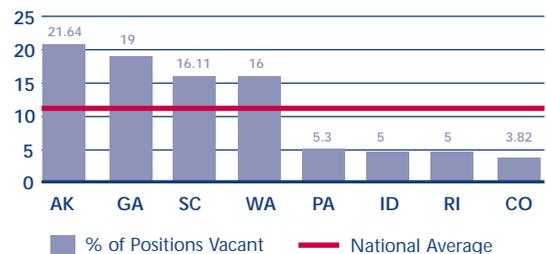
Recent data collection already shows the effects of the hiring limitations with respect to the percent of positions vacant in state government. A recent survey shows that more than 11 percent of state government jobs are vacant (see Figure 1:5). More than half of the states responding cited vacancy rates above the national average, including Alaska at 21.6 percent. For some states the vacancies will likely increase. South Carolina listed a vacancy rate of more than 16 percent and a turnover rate of more than 9 percent and could have 15,000 open positions next year if its hiring freeze remains. Furthermore, if the estimated 30 percent of the South Carolina state workforce retires in 2006 the state could be on the verge of a major staffing crisis.

Some good news for states appears in the current figures for the turnover rate for state employees, which is 10.6 percent (see Figure 1:6). The rate is not high by industry standards, and it dropped from 2001 to 2002. Still, because of hiring freezes in many states, the turnover rate represents a reduction in the number of employees. The potential exists for these conditions to aggravate future state worker shortage problems.

Though many states report lower vacancy and turnover rates, state lawmakers should consider possible actions for the future, given current budget constraints.

Figure 1:5

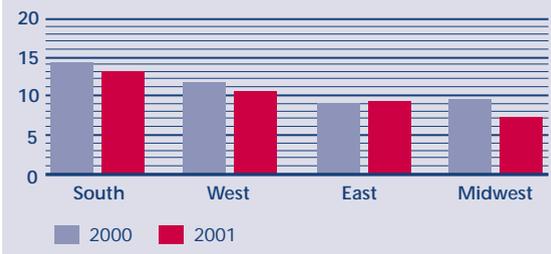
Vacancy Rate of State Government Positions



source: Survey by The Council of State Governments and NASPE

Figure 1:6

Current Turnover Rate for State Government Employees



source: Survey by The Council of State Governments and NASPE

PLANNING FOR THE FUTURE

The state worker shortage will affect government agencies and classifications differently. State personnel executives recently predicted health and medical departments as the state agencies most likely to feel the state government worker shortage (*see Figure 1:7*). In fact, 85 percent of the respondents named the health field as the most affected.

As the state government workforce shrinks, states must realize that the future workforce will be different. The labor pool in the next five to 10 years will become increasingly more diverse, mirroring demographic changes in the country. The U.S. Bureau of Labor Statistics estimates that 30 percent of the workforce in 2010 will be non-white. In addition, the number of workers from Asian descent will grow by almost 45 percent, and the number of Hispanics is estimated to be more than 36 percent over the next decade.⁵

Workforce changes also will occur with regard to education and training in the next decade. Although educational levels should rise, the portion of the workforce with short-, medium- and long-term on-the-job-training will decline.⁶ Thus, the states can expect to encounter a more educated workforce, but not necessarily one that is better trained for a specific job.

With these factors in mind, states should realize that competition for the smaller pool of qualified workers will be fierce. The need for innovative approaches to recruiting and retaining new workers is great, and states are already responding. Thirty-four states reported the establishment of new recruitment and retention methods (*see Figure 1:8*).

Even though 75 percent of the states have a long-term plan to address this state personnel crisis, states should continue to monitor workforce statistics and reevaluate their personnel strategies regularly. Sharing creative approaches to solving this problem across state borders can strengthen the state workforce as a whole. To facilitate this process, the remainder of this report details the current and future plans of those state personnel agencies that participated in this report.

Figure 1:7

Agencies Affected by Worker Shortage

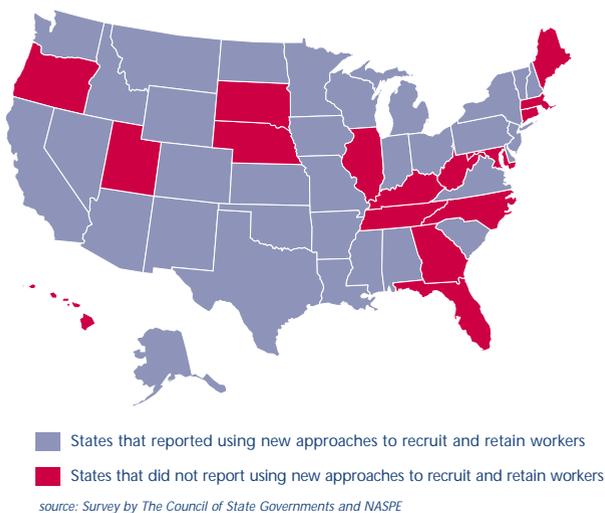
Chart represents the number of states that listed each agency as one "most likely to be most affected by a worker shortage."

Health Care	34
Corrections	23
Transportation	21
Human Services	19

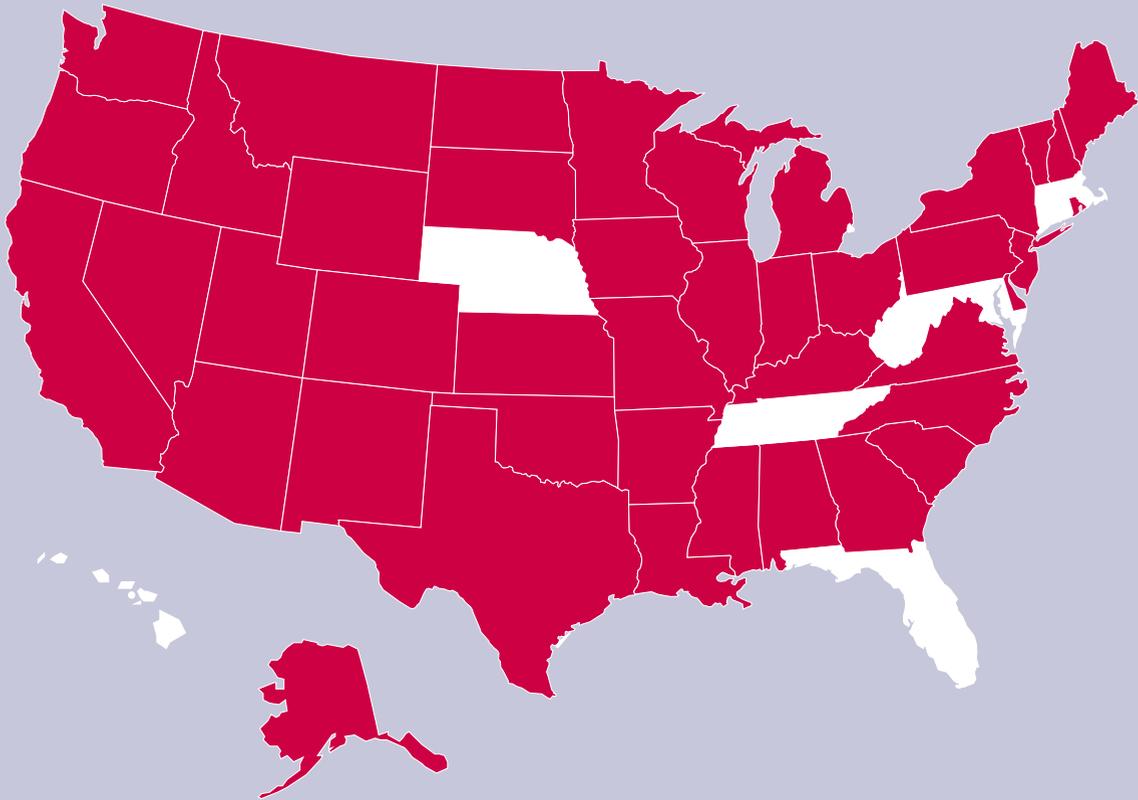
source: Survey by The Council of State Governments and NASPE

Figure 1:8

New Approaches to Recruitment and Retention



State by State Review



In an effort to help states **plan for the labor challenges of the future**, the following pages provide a state-by-state review of the current strategies being employed in the states.

From the survey data, some common methods emerge for dealing with the state worker shortage. These include:

- the implementation of new approaches to recruiting employees.
- the use of retired state employees to fill employment vacancies.
- the reform of employee classification and pay systems.

States are creatively addressing present and potential workforce shortages. Thirty-seven states have created new approaches such as targeted recruiting for certain jobs, conducting exit interviews to evaluate work environment and incorporating flextime scheduling. States also are utilizing former employees as resources, as 36 states now allow retired state employees to return to work on at least a part-time basis. Another approach, which is employed by 30 states, is the reform of employee classification and pay systems.

In addition to these common themes, a few specific states stand out because of their unique efforts to address the issue of worker shortage:

- Georgia: The state works with each agency to develop planning procedures that support a total rewards approach allowing the state to compete with other sectors for qualified workers.
- Kansas: Because of increased technological capabilities through a statewide database, the state is able to track and forecast workforce trends more effectively than many other states.
- Maine: Unlike several other states that address the issue through less formal means, Maine removed significant barriers for retired state employees to return to work through the enactment of legislation.
- Mississippi: Through the implementation of its Quality Workforce Initiative, the state is moving away from the traditional focus on regulatory compliance toward a model of strategic workforce planning.
- New York: The state recently developed a comprehensive approach to succession planning to provide state agencies with a framework for anticipating and meeting future staffing needs.

State personnel executives were individually contacted by NASPE in late May and asked to complete a 17-question online survey conducted by CSG dealing with impending state worker shortages. To review the survey instrument, please visit www.csg.org/workershorthagesurvey. Follow-up calls, data organization and report dissemination were the responsibility of CSG research staff under the direction of NASPE. **On the following pages, information from survey responses appears for all 42 states that responded to the CSG/NASPE survey.**



ALABAMA

- short-term long-term
- written proposal

The Special Projects Manager of the Department of Personnel gives state examinations more frequently in anticipation of vacancies throughout state government. This procedure ensures that positions are replenished with only marginal lapses in state business. For more information, contact Douglas Lunsford at (334) 242-3411.

Keys to solving the problem: Implementing targeted recruitment strategies and offering more competitive pay to recruit/retain employees.



ALASKA*

- short-term long-term
- written proposal

The Director of the Division of Personnel proposed statutory changes to increase flexibility with compensation of state government employees. The state also enacted legislation allowing retirees to return to work, while still collecting retirement benefits. For more information, contact Sharon Barton at (907) 465-4429.

Keys to solving the problem: Improving the image of public employment. Implementing more competitive wages and benefits. Employing more flexible management practices to retain younger employees.



ARKANSAS

- short-term long-term
- written proposal

The long-term plan addresses the current process of reviewing and restructuring the current pay plan for purposes of retention and competition. Arkansas produced a formal written proposal explaining in detail the purposes, benefits, time line and processes to be followed to restructure the pay plan. For more information, contact Amy KirspeI at (501) 682-5183.

Keys to solving the problem: Determining a clear vision of the future of the organization and sharing that vision with employees. Working in a proactive manner to prepare for the mass exodus from the workforce and finding ways to compensate for absent employees.





ARIZONA

- short-term long-term
- written proposal

The state's short-term plan puts emphasis on outreach to local colleges, community groups and local government fairs. The state also uses exit interviews to gain an understanding of why employees leave. These interviews aid the retention of future employees. For more information, contact Joanne Carew at (602) 364-4730.

Keys to solving the problem: Allowing agencies that face a shortage of applicants for critical jobs to make job offers without going through the usual competitive hiring process.



CALIFORNIA

- short-term long-term
- written proposal

The state's hiring system makes each department responsible for its own selection process including recruitment and retention. Individual departments have developed new approaches designed to meet their needs. Innovative approaches used by departments include increased use of the Internet to advertise and make available current exams and recruitment efforts, online exams, online scheduling process, flextime, telecommuting, premium pay for hard-to-recruit positions and geographic premiums in pay. For more information, contact Debbie Santos-Silva at (916) 653-7325.

Keys to solving the problem: Offering more flexible work schedules. Creating partnerships with key sources of applicants such as educational institutions. Planning and creating recruitment efforts that take into consideration changing statewide demographics and cultural impact.



COLORADO

- short-term long-term
- written proposal

The main emphasis of the short-term plan is the education of state agencies about coming problems. The Department of Personnel/ General Support Services released a report in July 2001 providing state government workforce information. The report is online at <http://www.state.co.us/dhr/pubs/docs/wfprofile.pdf>.

The state's long-term plan has the following three components:

1. In 2000, Human Resource departments began a series of meetings to inform all new personnel about the advantages and benefits of a career in state government. Personnel managers from every state agency defined their roles and each department's mission. Other topics discussed pertained to the funding of agency budgets, defining constitutional powers vested to govern HR and explaining the Public Employees' Retirement Association (PERA). This program will be repeated at three-year intervals by HR departments statewide.

2. HR is currently collecting workforce statistics and studying trends in staff employed throughout the state. Areas of study include the retirement statistics of current employees, "high-risk" departments or those with a large volume of retirees within the next three to five years, and the incoming workforce to bridge the gap between current workforce needs and projected future demands.

3. The Personnel Cabinet already encourages agencies to use alternative scheduling, flexplace and job sharing to help provide choices to current and future employees.

For more information, contact Patricia Romero at (303) 866-3474.

Keys to solving the problem: Strategic workforce planning that includes succession planning and active recruiting.



DELAWARE*

- short-term long-term
- written proposal

Despite the absence of formalized plans, the state is examining special programs for hard-to-fill positions such as nurses and IT professionals. For more information, contact Dana Jefferson at (302) 577-8977.

Keys to solving the problem: Focusing on quality of life, more flexible rules and regulations, requiring more specific training for managers and supervisors, mentoring, succession planning, and providing a variety of incentives to appeal to a diverse workforce.



GEORGIA

- short-term long-term
- written proposal

Georgia's short-term plan aligns its human resource practices with its business objectives. The state focuses on workforce planning procedures and tools that each agency uses to determine the competencies and diversity required to achieve desired outcomes. By focusing on a total rewards approach, the state hopes to balance the base compensation, benefits, incentive awards and work needs of the employees to better position itself favorably in the competition to hire qualified workers at an affordable price. The long-term plan now provides for training and development programs at all levels within the workforce and a broadened focus on diversity management, safety and loss prevention, employee recognition and appreciation, employee wellness, and e-learning. Georgia is also exploring ways to educate potential applicants, at an earlier age, of the advantages of state service as a career choice. For more information, contact Pat Kinard-Boutte' at (404) 657-3355.

Keys to solving the problem: Attracting and retaining workers by developing resource programs and policies that build skills and characteristics needed to achieve mission success. Changing the mindset of state government to view employees as human capital and to view development of their talents as growing an investment.



IDAHO

- short-term long-term
- written proposal

The short-term plan analyzes the loss of skilled management positions at higher levels. Agencies will coordinate with the personnel cabinet to better prepare for drops in employment. The long-term plan coordinates the implementation of a state hiring strategy. For more information, contact Robert Oberholzer at (208) 429- 5506.

Keys to solving the problem: Improving the image of working in state government. Developing programs to attract younger employees to fill voids created by retirees.



ILLINOIS

- short-term long-term
- written proposal

Illinois' short-term plan utilizes interns for immediate replenishment of vacant positions. Also, agencies are allowed to directly hire for vacant positions rather than using the personnel cabinet. Their long-term plan focuses on recruitment and retention. An annual management plan is being drafted to better coordinate resources throughout the year. For more information, contact Marianne Armento at (217) 785-8609.

Keys to solving the problem: Enhancing the ability of retirees to continue to work. Improving training and staff retention.



INDIANA

- short-term long-term
- written proposal

Indiana has a unique approach to help replace outgoing state governmental employees. Independent personnel consultants have been hired to produce an advertising campaign to attract more young persons to state government. The consultants will be in charge of the organization, design and development of this marketing campaign. For more information, contact David Bryant at (317) 232-3065.

Keys to solving the problem: Developing and utilizing strategic management. Seeking innovative solutions to recruitment and retention problems.



IOWA

- short-term long-term
- written proposal

Iowa instituted a hiring freeze due to dismal budgetary numbers. Its short-term plan coordinates personnel directors and state government agencies to look at hiring certain positions once the freeze is lifted. For more information, contact Joe Ellis at (515) 281-5607.

Keys to solving the problem: Considering new types of work options, cadre of employees capable of multi-tasking. Employing more innovative measures to utilize older workers. Developing and nurturing future leaders. Effectively deploying staff.



KANSAS

- short-term long-term
- written proposal

Kansas developed a workforce planning strategy that highlights specific agencies, and informs them about trends in recruitment, retirement and training. State agency personnel hope that by forecasting trends it will be easier to perform and implement hiring measures, thereby filling agency needs in a timely manner. Each agency will specifically highlight vacant positions and analyze the most cost effective method to hire an individual. This plan is a collaboration with the short-term plan, but it breaks down the data by specific agency. Agencies will be scrutinized to see if their process maintains workflow in a time-efficient manner while facing worker shortages. A database will be created so all state agencies can report information easily throughout the state. Kansas produces an annual workforce report that includes data on the statewide workforce. A survey is given to all new employees and all exiting employees. This information helps forecast trends, which can help produce policies and particular programs to address those trends. For more information, contact Karen Watney at (785) 296-4384.

Keys to solving the problem: Emphasizing the importance of the state workforce as a valuable asset. Examples include: annual increases in pay, employee recognition, competitive retirement plans, competitive benefit plans, and use of technology to train and retrain employees in order to redistribute staff.





KENTUCKY

- short-term long-term
- written proposal

The short-term plan allows applicants to apply directly to a given agency rather than submitting an application to the personnel cabinet. Applicants can be placed on a job register one day, and begin employment the next. Background checks, license checks, etc. are conducted during the first 90-day probationary period. If the application has been deemed unsuitable, the employee will be replaced. Kentucky's long-term plan utilizes a Web site that is updated daily and lists all merit vacancies in state agencies that have been authorized to be filled. For more information, contact Singer Buchanan at (502) 564-4460.

Keys to solving the problem: Maintaining a fair compensation plan. Providing cross-agency training opportunities to eliminate overlap in the development process of current employees.



LOUISIANA*

- short-term long-term
- written proposal

Multiple pay flexibilities for both hiring and retention have been implemented. Dual-career ladders have been established to promote retention in technical fields. Internship programs and mentoring programs have been established to recruit and fast-track new hires. For more information, contact Jean Tozer at (225) 342-8540.

Keys to solving the problem: Improving strategic planning. Opening multiple, non-traditional recruiting/hiring channels.



MAINE

- short-term long-term
- written proposal

Maine recently enacted legislation that eliminates retirement offsets for employees who retire and later return to work for state government. This measure eliminated a disincentive for retired state workers who wish to return to employment to return to work for the state. Maine's long-term plan introduces leadership development programs for senior management. For more information, contact Donald Wills at (207) 624-7366.

Keys to solving the problem: Improving state government management. Making it easy for managers to recruit and hire qualified applicants quickly.



MICHIGAN

- short-term long-term
- written proposal

Michigan created a comprehensive approach to help fill nearly 8,000 vacancies left by its early retirement plan. It created an extensive Internet outreach program and created job fairs in conjunction with other state departments to help agencies acquire a larger amount of applicants. The long-term plan focuses on developing tools to assist departments in identifying workforce needs and implementing means to address those needs, including but not limited to, those areas currently being addressed. For more information, contact Diane Drake at (517) 373-1849.

Keys to solving the problem: Maintaining a high standard of benefits, retirement plans and performance incentives to remain a competitive employer.



MINNESOTA

- short-term long-term
- written proposal

A workforce planning project created a workforce development model, identified data sets reached common definitions and began work on the process of retrieving data. The full deployment of the model to state agencies allows for more effective assessment of workforce needs. To improve recruiting and retention, the state eliminated up-front job testing, implemented an online application process and streamlined the application process. For more information, contact Robert Gaylord at (651) 297-3928.

Keys to solving the problem: Acknowledging the problem. Developing serious, statewide workforce planning initiatives. Implementing widespread technology and software education for current employees.



MISSISSIPPI

- short-term long-term
- written proposal

The state is beginning to integrate technology into the hiring process. Internet recruitment as well as online resume submission will expedite the process. The removal of certain barriers, such as written and typing tests, will help fill vacancies more quickly. Personnel departments plan on increasing benefits and compensation to new employees to boost retention levels. The Quality Workforce Initiative, developed by the Mississippi State Personnel Board, is a comprehensive, systematic approach to human resource management designed to improve the state's ability to attract and retain a qualified workforce and to prepare for future workforce needs. This approach involves improving the use of technology for human resource

management, forming strategic human resource partnerships with state agencies and improving customer service. For more information, contact Hollis Baugh at (601) 359-2737.

Keys to solving the problem: Expanding the use of technology, improving the skill levels of the current workforce, implementing more aggressive recruiting programs and removing barriers to employment.



MISSOURI

- short-term long-term
 written proposal

Short term, the state reviews workforce statistics on turnover and reasons for termination to determine classes with high turnover. These classes are then acknowledged as being in need of increased starting pay rates and movement through the pay ranges. The individual state agencies are involved with activities specific to their mission to address worker shortage issues. Long term, the state will attempt to forecast the classes where the shortage will occur before they become problem areas. One option will be developing trained staff from within and supporting existing staff to obtain professional degrees and certification through tuition reimbursement and employee development programs. The individual state agencies are involved with activities specific to their mission to address worker shortage issues. For more information, contact Alma McKinney at (573) 751-1621.

Keys to solving the problem: Making state compensation issues a higher priority in the budget process. Implementing recruitment, development and retention strategies to maintain and leverage the investment in well-trained, competent employees. Forecasting future staffing needs in hard-to-fill areas.



MONTANA

- short-term long-term
 written proposal

Significant changes have been made to the state's classification and compensation system. Moving in the direction of a broadbanding plan, the state sets salaries for individual classes based on the market and gives agencies managers more authority to establish and change pay within the broadband structure. For more information, contact John McEwen at (406) 444-3894.

Keys to solving the problem: Developing and maintaining a better perception of public-sector employment.



NEVADA

- short-term long-term
 written proposal

In the short term, the state is beginning to compile detailed information from each agency to more specifically identify agencies and job classes that will be most affected. A pilot succession planning project is in the development stages. The state also is aggressively recruiting new workers by increasing its use of the Internet, broadcast media and outreach to state university students. For more information, contact Peggy Martin at (775) 684-0140.

Keys to solving the problem: Implementing innovative pay practices and recognition of performance. Utilizing training programs for supervisors and managers.



NEW HAMPSHIRE

- short-term long-term
 written proposal

The state's short-term plan addresses the issue from two sides. The state revised much of the classification and minimum qualification systems to allow greater flexibility in hiring. Also, the state offers salary enhancement for certain positions, including nurses and pharmacists. Furthermore, a new compensation plan took effect in December 2001 to improve compensation for classified employees. The state plans to develop a separate salary matrix for allied health professionals as part of the collective bargaining negotiations set to begin October 2002. For more information, contact Sara Willingham at (603) 271-3359.

Keys to solving the problem: Developing a workforce plan. Identifying skills and abilities of existing employees and emphasizing staff development.



NEW JERSEY

- short-term long-term
 written proposal

The short-term plan for New Jersey utilizes specialized recruitment programs for various positions. The state will increase efforts to recruit skilled information technology workers, nurses and direct care personnel. The state's long-term plan surrounds the development of a workforce planning process for each state agency. For more information, contact Warren Barclay at (609) 777-0933.

Keys to solving the problem: Improving the economy and revising national priorities.





NEW MEXICO

- short-term long-term
 written proposal

The state's short-term plan includes continuing the implementation of the recruiting system restructuring began in 1997. Recruitment is now based on vacant positions allowing the state to tailor recruiting methods to individual positions. In addition to recruitment changes, the state plans to update assessment methods in the long term. Also the state completely revamped the classification and compensation system in mid-year 2001, allowing in-band payments, temporary recruiting and retention differentials. For more information, contact Jerry Rael at (505) 476-7748.

Keys to solving the problem: None listed.



NEW YORK

- short-term long-term
 written proposal

The state implemented workforce planning and succession-planning (or strategic staffing as it is commonly known). Primarily, the state personnel department is working to get the right people in the right jobs at the right time. The state created a guide to help agencies to implement their method or, if they have already started, to help agencies evaluate their methods and consider other possibilities. The succession planning guide provides a framework to help agencies think through what they need to do to anticipate and meet staffing needs in the short, mid and long term. It is designed primarily for human resource professionals, but program managers working with HR staff can use it as well.

The state developed eight recommended steps for the long term planning process.

- SCOPE:** What is the issue, initiative or organizational unit (agency, office, division, etc.) that needs your attention? Is it an immediate critical need or do you have time to plan?
- CONTEXT:** What is your agency's direction and how will it affect the issue, initiative or organization of concern?
- WORK:** What functions will need to be performed? Will the work be the same, evolving or new?
- DEMAND:** What staffing levels and skill sets or titles will be needed to perform the functions?
- SUPPLY:** Where will the people come from to staff the functions? What does the data on the current work force tell you about the likely availability of qualified people when you need them?
- GAPS:** What positions, titles or functions require special action to ensure that you can recruit, appoint and retain the people with the skill sets you need?
- PRIORITY:** What is the order of importance of addressing the gaps you have identified?

8. SOLUTIONS: What specific actions will you take to address the priorities?

The state created ongoing interagency work and learning teams under a program "Our Work Force Matters: A Guide to Work Force and Succession Planning for New York State Agencies." This joint product of the Department of Civil Service and the Governor's Office of Employee Relations is the beginning of what will be an ongoing collaboration to provide information, suggestions and examples of ways to plan strategically for the work force of tomorrow. The guide also is available online at www.cs.state.ny.us. For more information, contact Alan Dorn at (518) 402-2875.

Keys to solving the problem: Making sure employees are prepared for jobs and responsibilities of the future. Providing a workplace and work opportunities that make employees want to stay in government. Focusing worker training on skills that support the agency's strategic direction.



NORTH CAROLINA

- short-term long-term
 written proposal

No comprehensive workforce plan has been developed; rather specific plans to address critical occupations are employed. For these positions, the state approach includes the relaxation of compensation policies, targeted selection, continuous recruitment, signing bonuses, retention bonuses and flexible work schedules. The state also has an organizational component dedicated to workforce planning in light of demographic changes that will impact the state's workforce. For more information, contact Steve Davis at (919) 733-7934.

Keys to solving the problem: Enhancing the public perception of state government as an employer. Emphasizing innovation and flexibility in hiring, compensation and employee relations. Elevating employee morale. Increasing legislative and gubernatorial support for HR programs.



NORTH DAKOTA

- short-term long-term
 written proposal

The state's formal short-term plan includes a pilot recruitment and retention program focused on specified occupations. The primary strategy involves the implementation of signing bonuses and performance bonuses for certain jobs. In addition, the state operates a decentralized personnel system, giving flexibility to individual managers and allowing many staffing decisions to be made at lower levels. For more information, contact Ken Purdy at (701) 328-4739.

Keys to solving the problem: Monitoring staff levels and staffing requirements. Analyzing and prioritizing of government services.



OHIO

- short-term long-term
- written proposal

The state's short-term and long-term plans include many of the same strategies. The state partners with two entities, the American Federation of State, County and Municipal Employees and the Ohio Civil Service Employees Association to offer tuition reimbursement, employee training and a computer purchase plan. The state also employs Internet recruiting, advanced step hiring, and reclassification and reassignment. Ohio's formal written proposal is a high performance workforce proposal to update the state's classification system. For more information, contact Valerie Pike at (614) 752-5227.

Keys to solving the problem: Using technology and professional staff for increased analysis and planning.



OKLAHOMA

- short-term long-term
- written proposal

The Office of Personnel Management is developing a statewide five-year strategic plan. The state will implement an electronic testing system to expedite the testing and placement of new workers. A workforce planning function has been created within OPM to develop workforce planning tools and consult with agencies to improve retention. For more information, contact Cynthia Clegg at (405) 521-6303.

Keys to solving the problem: Improving marketing to create a capable pool of applicants by promoting the value of public service. Being willing to innovate.



OREGON

- short-term long-term
- written proposal

The state's short-term plan includes the use of targeted recruitment and increased advertisement efforts. A group of state agencies pooled resources to fund a specialized recruiter to address the need for information technology personnel. Also, the state created an in-house training program to improve skill sets of current employees. For more information, contact Nancie Young at (503) 373-7062.

Keys to solving the problem: Maintaining compensation levels despite calls for economic cuts. Focusing on providing a long-term, stable, family-friendly work environment.



PENNSYLVANIA

- short-term long-term
- written proposal

Pennsylvania lists a current nursing shortage as its primary focus and has increased the current compensation package to bring in new nurses. The state civil service has consolidated its recruitment process and gives every agency the same guidelines. This process will ensure all newly recruited applicants taking the necessary exams do not fall victim to an overlap by competing agencies. Recruits can submit their information online while preparing to take state entrance exams. They also can update their profile with new information, rather than being forced to re-submit their resumes. State tests also are taken online, speeding up the scoring process and expediting the hiring process.

JobNet is the state's Web-based job posting/ application site. This web site creates an online database of vacant positions for individuals applying for state employment. This process is one part of Pennsylvania's Imagine Initiative Project, which is trying to recruit and retain state employees. For more information, contact Art Duprat at (717) 787-5966.

Keys to solving the problem: Implementing of workforce planning, succession planning, improving recruitment and retention, and utilizing targeted trainee programs.



RHODE ISLAND

- short-term long-term
- written proposal

The state is downsizing in the short term; thus recruitment and retention efforts for additional immediate workers are focused. Furthermore, the state is planning for a long-term worker shortage crisis by undertaking a diversity initiative to secure specialized, talented individuals. The state also has an internal state training program to groom the existing workforce. Finally, the state maintains relationships with high schools, colleges and universities to secure in-state talent. For more information, contact Anthony Bucci at (401) 222-2160.

Keys to solving the problem: Making state employment more attractive, effectively screening applicants and partnering with educational institutions.





SOUTH CAROLINA

- short-term long-term
- written proposal

The state developed a workforce plan to address both short and long-term future of the state workforce. The plan makes 22 recommendations to address current and future issues. These recommendations include: establishing defined career paths, implementing flexible work policies, developing succession plans to address turnover and reviewing compensation practices. To view the report and a complete list of recommendations, visit <http://www.state.sc.us/ohr/wfplan01.htm>. For more information, contact Sam Jones at (803) 737-0900.

Keys to solving the problem: Taking the concepts of workforce planning seriously. Improving the efficiency of recruitment, selection and development, and retention techniques. Developing mechanisms to ensure the continuous flow of high quality applicants into the system, and removing appropriate barriers to the development and retention of employees, as appropriate.



SOUTH DAKOTA

- short-term long-term
- written proposal

In the short term, the state gives salary increases above the normal salary policy for occupations and areas where recruitment and retention are difficult. The state adopted formal hiring plans for nursing and other medical professionals. In July 2000, the state streamlined the selection system for new employees. The previous training and experience-based selection system excluded applicants who did not meet educational and experience thresholds. The new system is based on knowledge, skills, abilities, and competencies and allows managers to select from the entire applicant population. Further refinements to the system are being developed in the competency-based hiring area. Competency models for selected occupational groups are being developed and methods are being designed to evaluate those competency model.

A workforce planning function was implemented in January 2002. Currently, the state is identifying areas that are most critical statewide and for each agency. After each agency's staffing patterns are identified, the Bureau of Personnel works with agency managers to design programs to address critical areas. Programs include new recruitment and selection techniques, succession planning and employee development. For more information, contact Sandra Jorgensen at (605) 773-3148.

Keys to solving the problem: Stopping HR practices that exacerbate workforce issues including seniority-based layoffs, early retirement incentives and furloughs.



TEXAS

- short-term long-term
- written proposal

The state provides agencies with an online application, recruiting and screening tools to aid the hiring process. Gov. Perry introduced initiatives addressing effective recruitment of nurses, teachers and information technology personnel. Each agency is required to produce a strategic workforce plan. For more information, contact Tony Garratt at (512) 936-9610.

Keys to solving the problem: Taking action now. Planning and implementing good policies now will put states in position to address future problems.



UTAH

- short-term long-term
- written proposal

The state Department of Human Resource Management initiated a workforce planning project that will create a workforce profile, identify the demographics of the state's workforce and potential problem areas. This profile will be a springboard for new approaches in recruiting and retention. For more information, contact Karen Suzuki-Okabe at (801) 538-3060.

Keys to solving the problem: Understanding the strengths of state government employment and understanding what drives potential job seekers away so that the challenges can be met.



VERMONT

- short-term long-term
- written proposal

The state reviewed the classifications systems for certain types of positions and applied market factor adjustments to attract and retain employees. Also, the state is bolstering and streamlining the outreach process. A new, statewide marketing campaign aims to coordinate recruiting efforts across the state. To aid with retention, the state established clearly defined career ladders. The state also offers educational assistance and on-the-job training to support the completion of a degree or certification. For more information, contact Nancy Simoes at (802) 241-1115.

Keys to solving the problem: Creating a better image of public-sector employment. Developing policies and managers that support and recognize high performance. Designing flexible approaches to compensation and job design. Streamlining personnel support systems such as classification, compensation and recruitment services to support attracting and retaining high-quality talent.



VIRGINIA*

- short-term long-term
- written proposal

Despite the absence of defined plans, the state provides aggressive incentive options for agencies to recruit and retain workers for difficult-to-fill positions. The state supports the idea of phased retirement for employees with defined benefit plans. For more information, contact Sara Wilson at (804) 225-2237.

Keys to solving the problem: Discouraging downsizing, and hiring and developing new workers to replace retirees.



WASHINGTON*

- short-term long-term
- written proposal

The state completed a Government Performance Project report that includes a workforce planning component. Civil service reform, which will aid recruitment and retention, is being considered by the legislature. An automated application submission process began in early 2002. Greater flexibility is available to managers with respect to compensation and job design. For more information, contact Bob Hahn at (360) 664-6256.

Keys to solving the problem: Developing more aggressive workforce planning. Implementing flexible pay, benefit options and meaningful recognition programs. Offering flexible hours, a casual, joyful workplace and state-of-the-art training. States must gain the ability to effectively tap growing diverse elements of the workforce.



WISCONSIN

- short-term long-term
- written proposal

The state's workforce planning team developed a report that summarizes the workforce situation in Wisconsin and provides short- and long-term recommendations. The report surveyed state agencies and reviewed state and national labor market information to discover future workforce needs. The team is developing a standardized process and template for state agencies to use for short-term and long-term workforce planning. To view the report, visit http://der.state.wi.us/static/pdf/workforce_planning.pdf. New recruitment and retention initiatives include developing electronic human resources services, offering market-based compensation packages, implementing flexible work hours and career development programs. For more information, contact Peter Fox at (608) 266-9820.

Keys to solving the problem: Implementing proactive short- and long-term planning.



WYOMING*

- short-term long-term
- written proposal

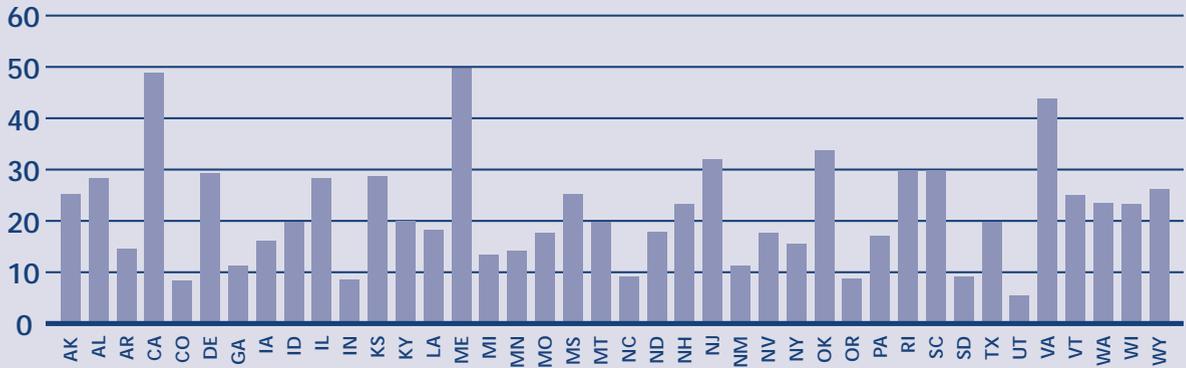
The state affords greater flexibility to individual agencies regarding pay administration. For more information, contact Darald Dykeman at (307) 634-8926.

Keys to solving the problem: Limiting unfunded mandates.

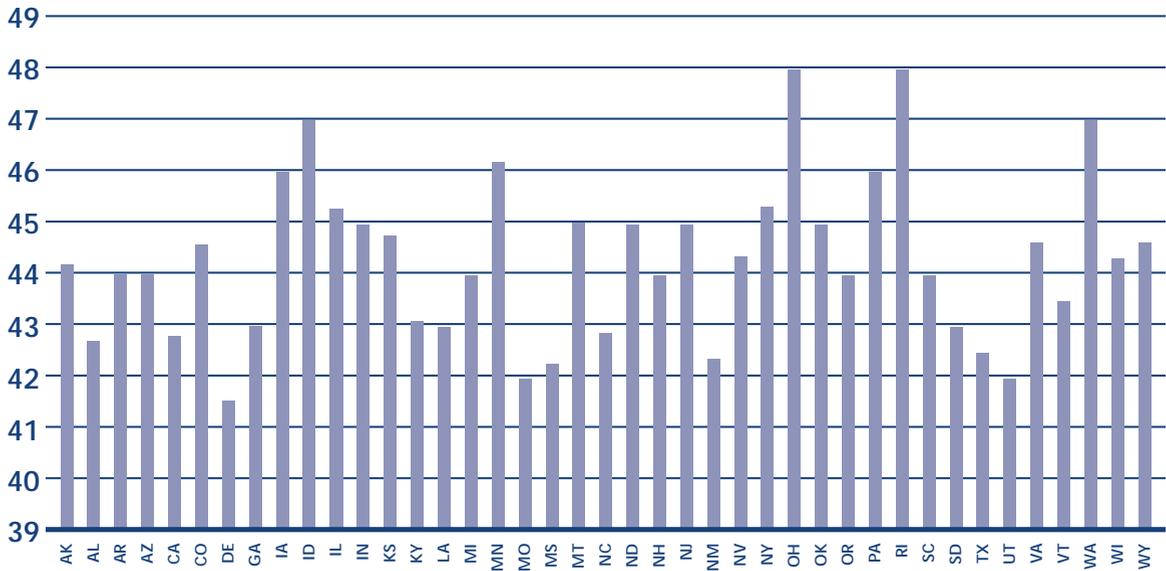
* States submitted information but did not indicate the existence of a short- or long-term plan or written proposal.

Appendix and Notes

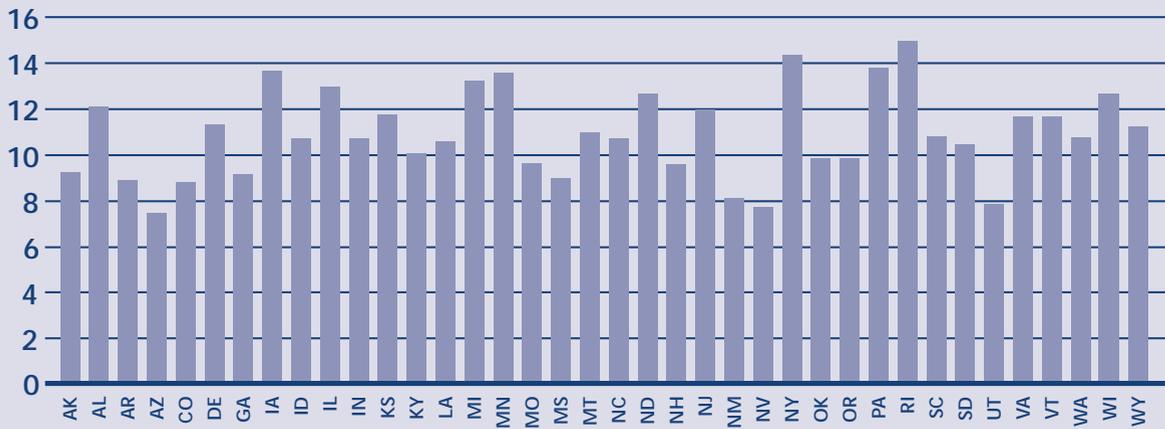
Percent of State Employees Eligible for Retirement



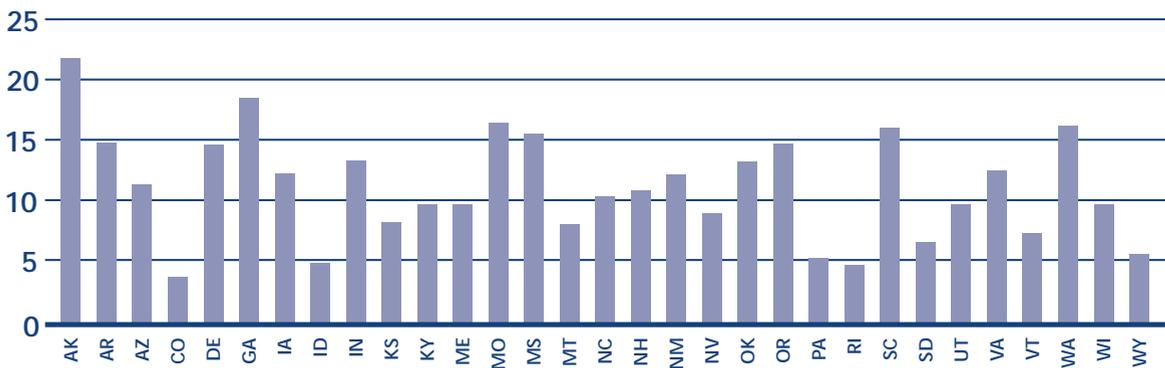
Average Age of State Employees



Average Years of Service



Percent of Positions Vacant



Turnover Rate for State Government Employees

— 2000 — 2001



* States submitted only one year of statistical information.

Notes

- ¹ National Association of State Budget Officers, *Fiscal Update: State Budgets Post Attack*. 9/25/01
- ² National Association of State Budget Officers - State Budget Update- Fiscal 2002
- ³ National Governors' Association – Homeland Security: The Cost to States for Ensuring Public Health and Safety, 12/2002
- ⁴ National Association of State Budget Officers, *Fiscal Update: State Budgets Post Attack*. 9/25/01
- ⁵ United States Department of Labor, Bureau of Labor Statistics, Table 5. <http://www.bls.gov/news.release/ecopro.t05.htm>
- ⁶ United States Department of Labor, Bureau of Labor Statistics, Table 4. <http://www.bls.gov/news.release/ecopro.t04.htm>

* source of all graphics: Survey by the The Council of State Governments and NASPE.



**The Council of
State Governments**

P.O. Box 11910

Lexington, KY 40578-1910

p: 859.244.8000

f: 859.244.8001

e: cs@cs.org

www.cs.org



**National Association of
State Personnel Executives**

P.O. Box 11910

Lexington, KY 40578-1910

p: 859.244.8182

f: 859.244.8001

e: naspe@naspe.net

www.naspe.net