

ISSUE BRIEF

The Government Workforce Crisis

RECRUITING THE NEW GENERATION OF LEADERS

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THE BIG ISSUE

Local, state, and federal governments are facing challenges in hiring and retaining young employees; however, the telework transition due to COVID-19 brings opportunity to reevaluate current workforce management practices.

WHY IT MATTERS

Modernizing workforce hiring and management policies attracts new and innovative talent to the aging government workforce, promoting higher performance in the long-term.



Our government is struggling to meet many of the major challenges we face today, in part because we have neglected to invest in and strengthen this critical institution for decades.”¹

MAX STIER,

President and CEO of the Partnership for Public Service

ISSUES IN GOVERNMENT WORKFORCE PLANNING

The government agenda often overlooks measures to support their American workforce. The current workforce structure is unprepared to take on the changes from a dynamic professional landscape. The Partnership for Public Service describes shortcomings within the government workforce as a leadership and hiring “crisis”.² Government agencies often spend a large sum of their budget on workforce management. In 2016, the Department of Defense (DoD) spent \$349.9 billion dollars on military, civilian, and contracted personnel, 59% of their overall budget, compared to only 26% spent on weapons systems procurement, family housing, military construction, among other operations.³



The government workforce is aging.

The United States has endured decades of hiring freeze and hiring frenzy cycles. More recently in 2017, the Trump administration instituted a 90 day hiring freeze followed by a long-term plan to reduce the overall size of the government workforce.⁴ Consequently, these hiring cycles have prevented certain age groups from entering the government workforce, resulting in generational gaps. Today, Millennials and Gen Z federal employees only make up 7.3% of their workforce, compared to 23% in the private sector.⁵ Generational gaps prevent government organizations from being representative of the American workforce, relegating key decision authority to an older demographic that is inclined to perpetuate status quo policies. Steve Vetter, the Federal Strategist and Senior Solution Executive at CISCO states, “we’re still at about 15 times more federal workers that are in the over-50 category than in the under-30 category.”⁶ The scatter plot of government workers leans toward older employees who will soon be eligible for retirement. In fact, nearly two thirds of those in senior government leadership positions will be able to retire by the end of 2023.⁷ This presents a time-critical need to focus on hiring a younger generation of talent and also supporting and funneling a new cohort of government leaders.



Government’s human capital system is fundamentally broken... and is demonstrably hurting mission performance. It is wasting taxpayer dollars and undermining public trust.”¹⁷

NATIONAL ACADEMY OF
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No Time to Wait: Building a Service
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Young professionals tend to turn to the private sector for fulfilling and impacting jobs.

The US government faces additional pressure to attract young talent as a majority of their workforce is looking toward retirement. Before 2011, when the Federal Career Intern Program (FCIP) was still operating, hires under the age of 30 accounted for more than 42% of all new hiring. However, when the Pathways Program replaced FCIP in 2011, young hires in government declined. Now, out of 2.1 million federal workers, only 127,000 are permanent government employees under 30.⁸ A 2018 study found that “fewer graduates are choosing government jobs” across local, state, and federal levels.⁹ When employees decide to take on a new job opportunity, they weigh a range of values called employee value proposition (EVP). These can include factors such as pay, benefits, flexibility, and group morale.¹⁰ Young professionals are electing to enter the private industry because it can offer a more competitive EVP compared to the public sector. Private industry salaries are typically higher than those of its public industry counterparts. While young professionals tend to value vocational meaning and purpose, bureaucracy limitations often weigh down an employee’s ability to make a difference.



Government agencies are struggling to retain newly hired employees.

Even when government agencies are able to hire new talent, a timely onboarding and training process is seldom delivered. On average, the federal hiring process takes 98 days, double that of the private sector. Long response times result in potential employees losing interest and turning to other job opportunities. Even after hiring new employees, government agencies face high turnover rates. The federal government turnover rate has been increasing since 2015, starting at 13.8% to 16.4% in 2019. State and local governments see even higher turnover rates at 19% in 2019.¹¹ While older government career workers tend to stay in the government for longer periods of time, 60% of recent hires in the federal government have left within two years.¹² High turnover rates can be incredibly costly for any organization, costing a business six to nine months’ salary for just training costs to replace an employee.¹³



Racial representation within the government workforce weakens with higher pay grades.

As of 2017, racial minorities make up only 36.7% of the federal workforce.¹⁴ However, this figure drops when examining employees in the Senior Executive Service (SES). SES employees are in the highest bracket of the federal pay scale and are compared as the civilian equivalent of military generals. The SES population is less diverse than the rest of the federal workforce, with only 20% of SES's being racial minorities.¹⁵ Less gender and racial representation in federal leadership points to evidence of poorly developed pathways for minorities. Although the federal government is actively creating more robust plans to integrate diversity and inclusion initiatives in workforce planning, government diversity data is not often collected and analyzed. However, members of Congress are intentionally introducing measures to improve diversity in government workforces. In July 2020, Sen. Bob Menedez introduced the Federal Jobs Act which requires agencies to report demographic data and identify "comprehensive strategies for agencies to identify and remove barriers to equal employment opportunity in employment practices."¹⁶



COVID-19 IS CHANGING THE LANDSCAPE OF THE GOVERNMENT WORKFORCE

COVID-19 has changed how the American workforce approaches telework and emphasizes the importance of managing employees virtually. Organizations, especially within the government, are embracing plans for extended or permanent telework. In a 2020 survey, 60% of surveyed government employees indicated that they expect to continue working from home for at least another six months.¹⁸ Government employees seem to enjoy the transition as well: in March 2020, when the Social Security Administration (SSA) moved into phase two of a reintegration plan to return government employees back to the office, the agency faced more pushback than expected from government employees who were happier working from home.¹⁹

With the work from home model, agency leaders are finding the need to revamp their leadership style. A completely new skill set is needed for leading and motivating groups from home. Minute hallway conversations and workplace socializing now needs to be replaced with new digital programs to boost employee morale and collaboration. The mass telework transition also allows government

leaders to gather employee data and preferences for new workplace management styles. Teleworking promotes a more flexible work environment, one that may allow for higher employee performance. In a 2018 survey, 63% of respondents stated that they would be more loyal to their organizations if they had more flexible work options. A 2019 research study showed teams that worked remotely can outperform traditional, in-person teams.²⁰ Leaders seeking to make a smoother and more efficient transition back into the workplace can leverage information learned from a work at home environment.

According to a study by the Pew Research Center, 25% of people surveyed stated they or someone in their household had been laid off due to COVID-19. Pew also found that younger workers were more likely to be laid off compared to their older counterparts.²¹ Consequently, the vast number of COVID-19 layoffs in the private sector may cause an influx of young adults applying to government jobs that are still hiring. Unfortunately, this does not guarantee that recent hires will stay in their government positions and ultimately may be more costly for government organizations.²²



CASE STUDY

DoD Looks for Software Acquisition Talent

In 2020, RAND conducted a report review of a Pentagon group aiming to recruit a stronger software acquisition workforce by creating more robust training and certification programs. However, DoD experts state that their largest challenge is that virtually no data has been collected on software developers working for the government. The DoD is still missing macro data on how software employees are being hired or promoted, the education they have, the training they've received, and how they're being compensated. In fact, the DoD's HR software is not built to accurately display and measure this kind of data. RAND found that the DoD was unable to make holistic HR policies without accurate data and is therefore unable to support their software employees.²³



LOOKING AHEAD:

How Can Government Organizations Support Workforce Planning?



Take advantage of information gained from teleworking.

COVID-19 has opened an opportunity for government leaders to reevaluate their workforce policies. Leaders should examine internal data to generate external results. Government HR software needs to be modernized to track and analyze workforce trends. Both quantitative and qualitative input from employees enables teams to work more efficiently at higher performance levels.



Streamline and consolidate the onboarding process.

A collaborative study by Booz Allen Hamilton, the Partnership for Public Service, and the Office of Personnel Management (OPM), found that the government onboarding process is inconsistent and often fails to involve stakeholders, keeping them accountable for success or failure. A focus group participant recalled their first day, "I was sent to a conference room where someone from HR helped me complete a bunch of forms. I was not introduced to anyone, I had no one to go to lunch with, and no one had set up my computer access so I sat there and stared at the wall. By the end of the day I felt like I had made a terrible mistake in leaving my old job."²⁴ However, an effective onboarding process makes a significant difference in the success trajectory of an employee and the organization.²⁵ A positive onboarding experience can improve an employee's performance by up to 11.3% and makes them less likely to leave the organization. Since this report, the government is making strides in improving an employee's first few weeks on the job. Government agencies are now assigning mentors, human capital liaisons, and encouraging department heads and other leaders to meet with new hires within their first few weeks.²⁶



Transparency in data can encourage development for strategic plans.

Workforce demographic data, especially within agency leadership is difficult to find, but is critical to developing key strategies for a more inclusive government workforce. The Government Accountability Office's (GAO) director of Defense Capabilities and Management Issues, Brian Mazanec stated in reference to diversity within the intelligence community, "there's definitely room for improvement, again in the areas of strategic planning, measurement and accountability."²⁷ Analyzing demographic data can allow agencies to identify barriers and create effective onramps to encourage diversity in government workforces. Margaret Williams, Vice Chair of the Senior Executive Association (SEA) states "look at the data, the data speaks loud and volumes. So it's to me those feeder pipelines that you would definitely want to take a look at to see where we are to begin to build."²⁸



Create stronger leadership opportunities and talent hiring programs.

Among Millennials and Gen Z adults, government employment opportunities have been less attractive than those in the private sector. However, government organizations are establishing new programs to funnel future leaders into the workforce. The Albuquerque city government is partnering with its Public Service University to give younger city employees leadership experience that wouldn't otherwise be offered. In St. Louis, two government employees created the St. Louis County Government Young Professionals Group to bring together other young employees actively interested in advancing their government careers.²⁹ The Air Force's COPPER CAP program is introducing new civilian business leaders into their workforce, offering lucrative opportunities such as a fully paid master's degree, tuition reimbursement, and competitive promotion program.³⁰



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