

Talent Attraction and Retention in the Government Workforce



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BOND RATINGS

S&P tells 149 issuers: provide timely financials or risk withdrawn ratings

By [Keeley Webster](#) March 14, 2023, 3:33 p.m. EDT 4 Min Read



S&P Global Ratings placed 149 ratings on CreditWatch with negative implications, because



they have not received 2021 financial statements from the issuers.



It is our understanding, based on our outreach on this topic to issuers and their agents, that this year has seen a marked increase in staffing shortages at auditing firms, resulting in significant setbacks to complete issuers' financial disclosures in a timely manner. In addition, we understand that issuers have faced staffing turnover in key reporting departments, which has further contributed to delayed reporting. With an acute shortage of certified public accountants (CPAs), according to the American Institute of CPAs 2021 Trends report, we believe the number of delayed disclosures could further increase in the near term.

S & P, March 2023





Meeting Demand for State and Local Public Finance Jobs

SEPTEMBER 2022

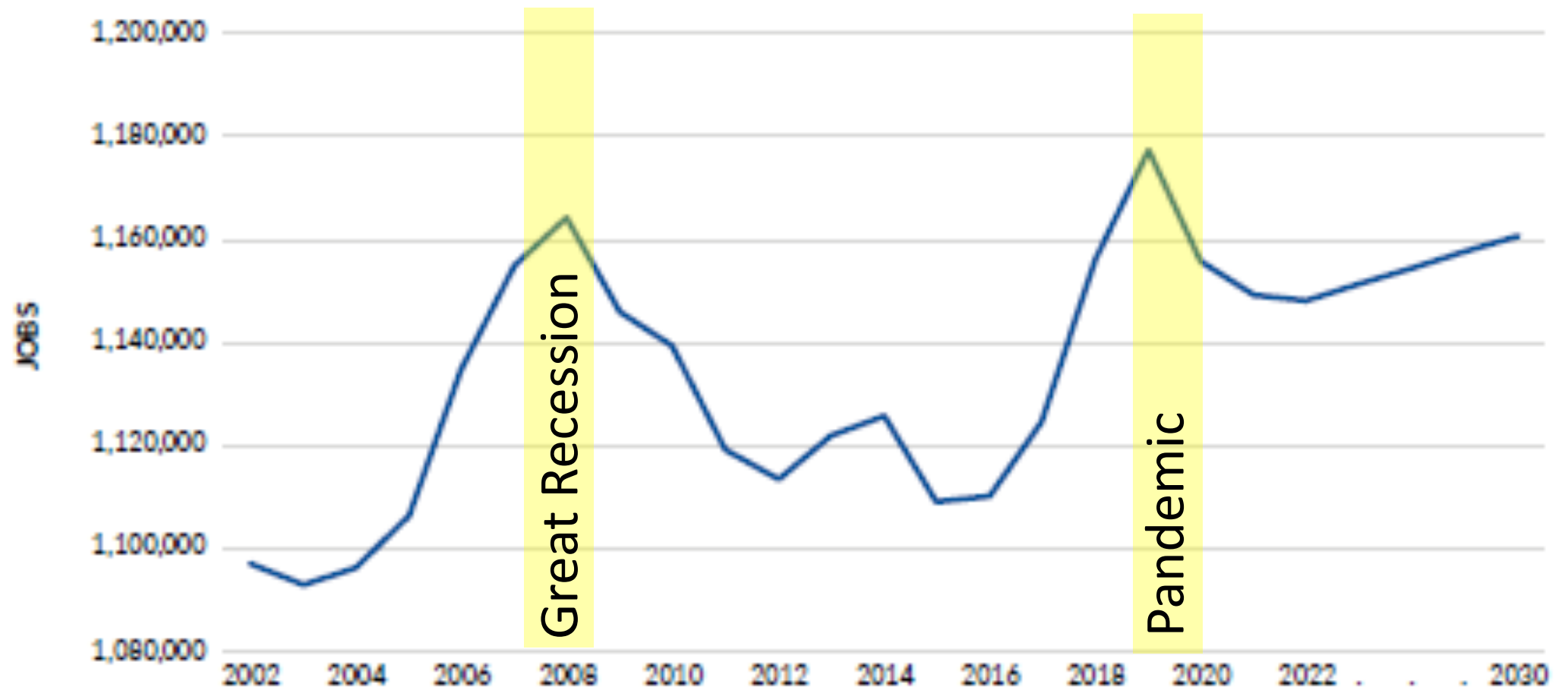


Local Government Largest Employer of Public Finance Professionals

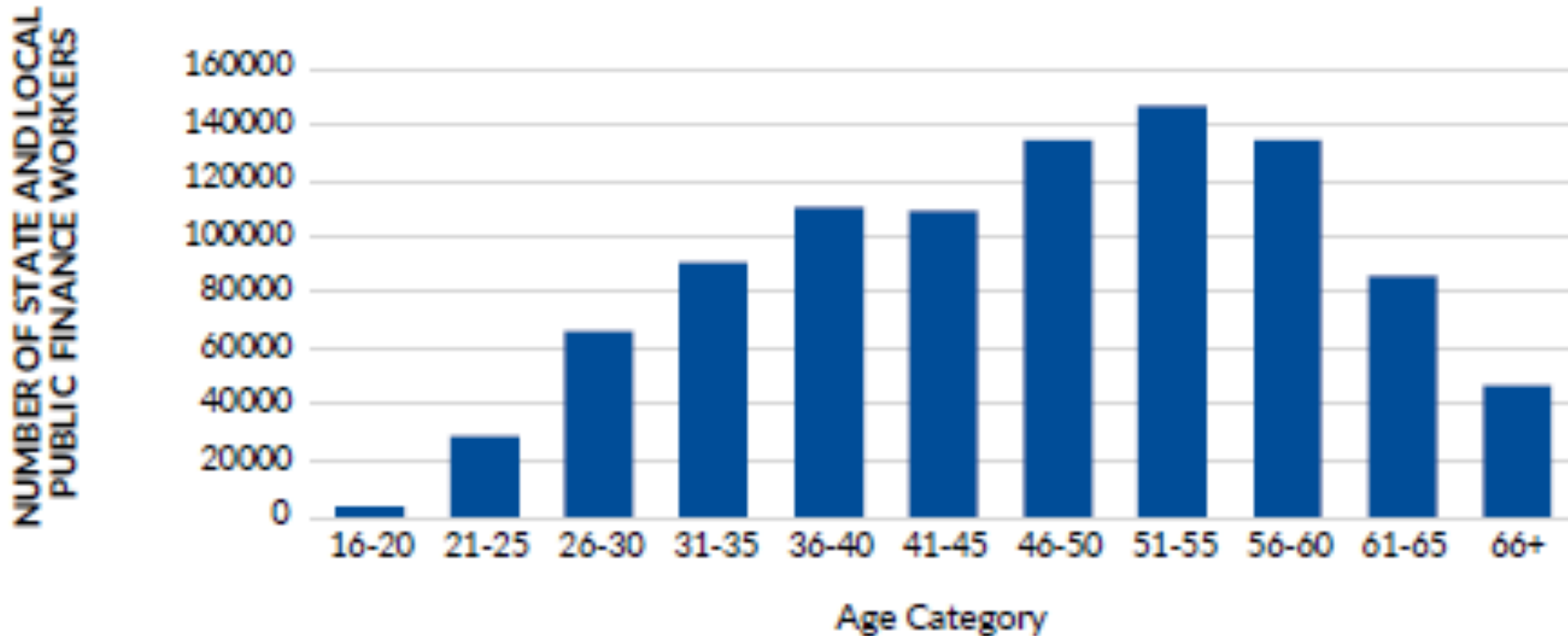
Sector	# of Employees
Local Government	635,000
State Government	513,000
Federal Government	574,000
Total	1,722,000

Workforce Historical Trends

Figure 1. State and Local Public Finance Sector Jobs, 2002 - 2022, and Projected Jobs, 2022 - 2030

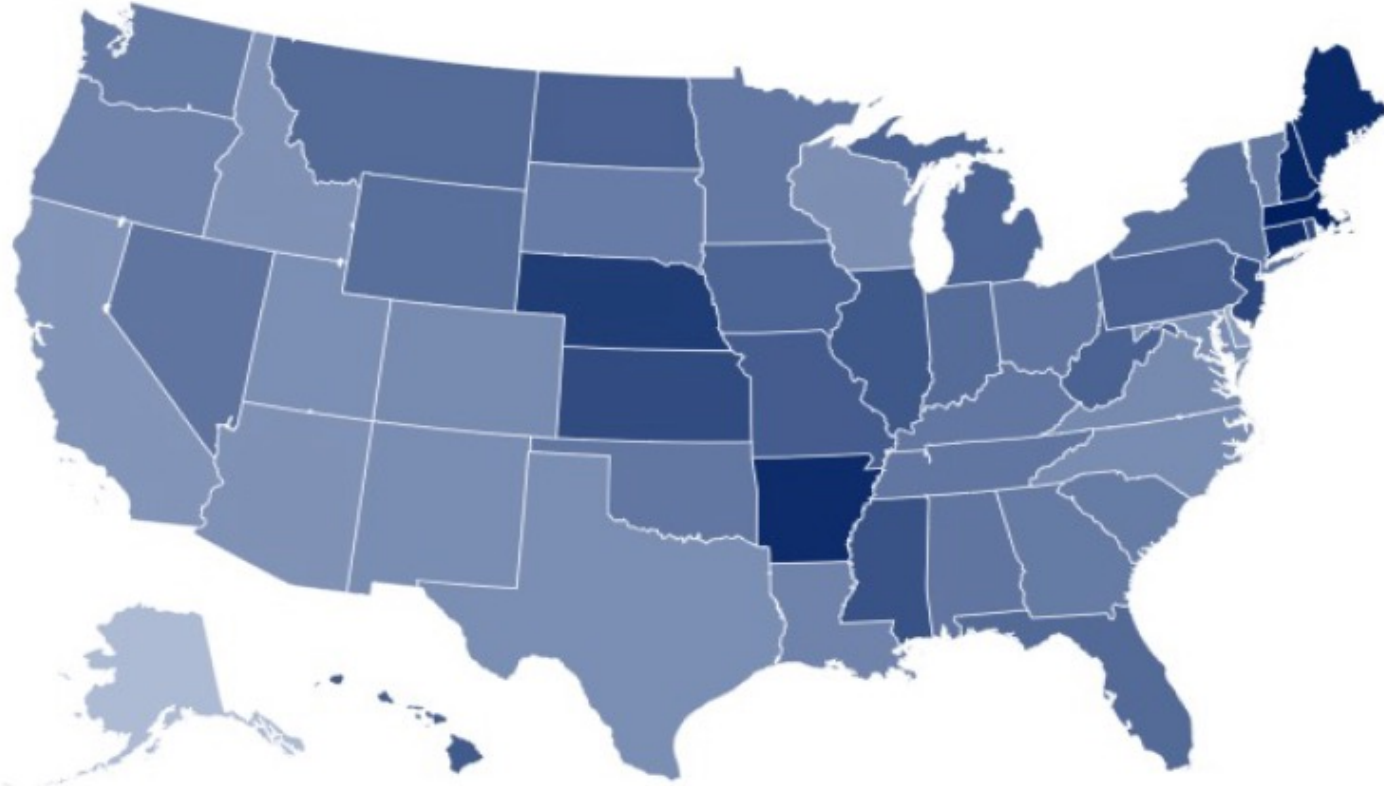


Average Age High for Public Finance Workforce



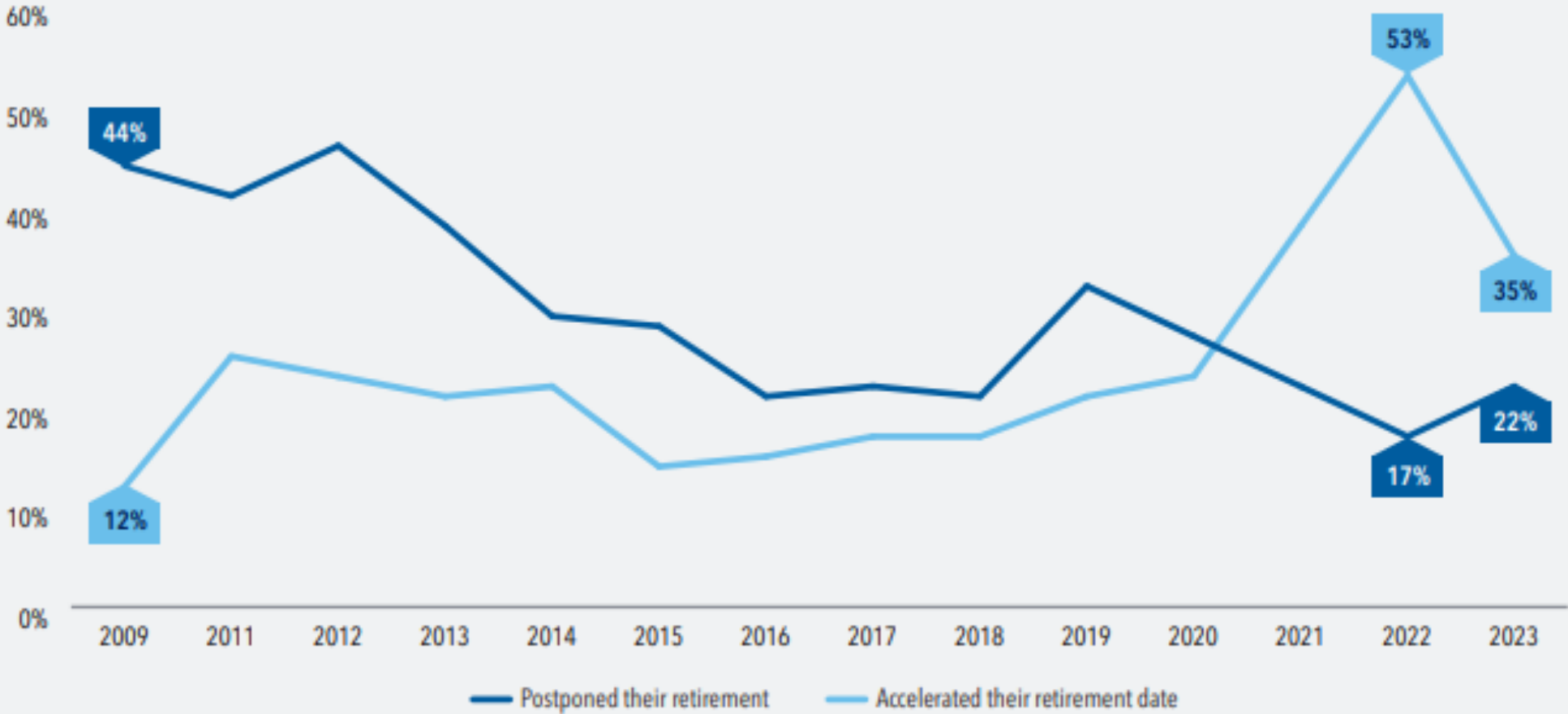
Retirement Risk of State & Local Public Finance Workers

Figure 9. Retirement Risk of State and Local Public Finance Workers (% workforce 55-years-old or older) by State, 2019



Retirement Plans Accelerating

Figure 14b Over the past year, what changes, if any, have your retirement-eligible employees made regarding their plans for retirement? (Detail, 2009-2023)



Key Findings

- ✓ Demand for public finance workers is far **outstripping the incumbent supply** and straining familiar pipelines
- ✓ The **impending retirements** of public finance workers will further exacerbate the supply shortage
- ✓ There are **few managerial positions** available within public finance
- ✓ **Entry-level public finance positions** that do not require a bachelor's degree tend to be **higher earning** than the private sector

Key Findings (cont.)

- ❖ **Strength** for state and local public finance is its **demographic diversity**.
 - ✓ Women make up 68% of those in top local government finance role
 - ✓ People of Color make up 38% of state and local public finance, compared with 28% of the overall finance sector
 - ✓ African American workers are particularly well represented at 17% in state and local public finance compared to 11% in overall workforce
 - ✓ However, Hispanic workers hold 12% of state and local finance positions compared to 16% in overall workforce

Most Important Finding

- Accelerating retirements
- Limited supply of managerial positions for career advancement
- High percentage of women in top finance role

Recruitment & Hiring Recommendations

- Mount a **recruiting campaign** around public service that highlights the importance of finance in COVID-19 recovery
- **Leverage strong non-bachelor's degree opportunities** to attract new workers who can grow in the profession
- **Accelerate recruiting**
- **Incentivize hiring**
- Promote and encourage **diversity**
- Tap into **adjacent talent pools**
- Concentrate on building career **lattices**



Retention & Advancement Recommendations

- Upon **leveraging strong non-Bachelor's public finance opportunities** to attract workers, retain them by investing in their development and education
- Experiment with compensation models that **reward incumbent workers** who are taking on additional work during the supply shortage
- Build out managerial or specialist roles with **career tracks**
- Build **career lattices**, both within state and local public finance and across other public sectors.

Practitioner Workforce Priorities: Identified in Institute Surveys and Focus Groups

- Reassessment of **compensation and benefits packages**
- Enhanced **employee recognition**, with emphasis on employee **impact on the community**
- Provision and expansion of **financial wellness programs**
- Prioritization of **employee safety and mental health**
- Reevaluation of **how and where work is conducted**
- Update **recruitment and retentions processes** to reflect real job requirements, strategically plan for staff transitions, expand outreach to candidates, and focus on **diversity, equity, and inclusion**



Discuss with Your Friends

What is the most important recommendation to focus on?

- A. Recruitment campaign on value of government finance
- B. Leverage strong non-bachelor's degree opportunities
- C. Accelerate recruiting
- D. Incentivize hiring
- E. Promote and encourage diversity
- F. Concentrate on building career lattices



It is a Competition

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CFO JOURNAL

Struggling to Find Accountants, Businesses Boost Salary Offers, Hire Temporary Workers

Companies take longer to fill positions as tightness in the labor market continues and fewer people study accounting





How to Have an Engaged Workforce (and more satisfied citizens)

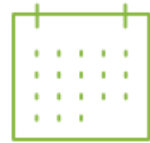
The Impact of An Engaged Workforce

Top quartile vs bottom quartile of engagement



17%

Greater
productivity



41%

Less
absenteeism



10%

Higher customer
satisfaction



40%

Fewer defects in
work products

What do Things Look Like in Local Govt?

70% not engaged



17% actively disengaged



What Can be Done?

Tap Public Service Motivation

- Public service motivation is the opportunity to act in accordance with larger purpose and set of values
- Service to others vs advancing career
- Implications for who you try to recruit, how, and retain strategies



“A problem well defined is a problem half solved”
-*Charles Kettering, Inventor*



Understand Why People Leave

Top reasons from survey of GFOA job switchers

1. Decisions at work based on personalities, not on the merit of the issues
2. Lack of congenial work environment
3. Poor communication with supervisor
4. Lack of trust with supervisor
5. Lack of empathy for employees



Understand the Three Ingredients to Motivation*

- **Mastery**. Building skills that make a difference.
- **Autonomy**. The ability to act with choice and direct our own lives
- **Purpose**. Work takes place in the service of a cause greater than ourselves

*From Drive by Daniel Pink



Engagement Tactics

Selecting Employees and Getting them Onboard	
Applicant Selection / Interviews	Onboarding Tour
Building Mastery, Autonomy and Purpose	
Career Advancement	Performance Appraisals
Self-Directed Time	Stretch Goals
Help Employees Know Themselves	Supervisor Training



Finding People who Fit Local Government

- Close your eyes and picture a person you know, who you wish you could clone and surround yourself with.
- Now, think of three things about that person that makes you select them.
- Most, if not all, of those things are probably about the character of that person and not a skill of that person. Perhaps it was 'hard working' or 'honesty,' but it probably wasn't their mastery of GASB 34 and Excel.



Discuss with a Friend

- Think about the traits you came up with.
- Were most of them “character” traits?
- Share the one that rose to the top for you.



A Key Trait: Conscientiousness*

- **What is it?** Achievement-oriented, thorough, well-organized, persevering, methodical, self-disciplined and accountable.
- **How can you hire for it?** Use assessment tools that address conscientiousness and its sub-traits. Ask interview questions that get at it, like “Tell me about a time when you were really persistent”

*Based “The One Trait You Should Hire For” by Heide Abelli, Adjunct Professor of Management, Boston College.



Getting Off on the Right Foot

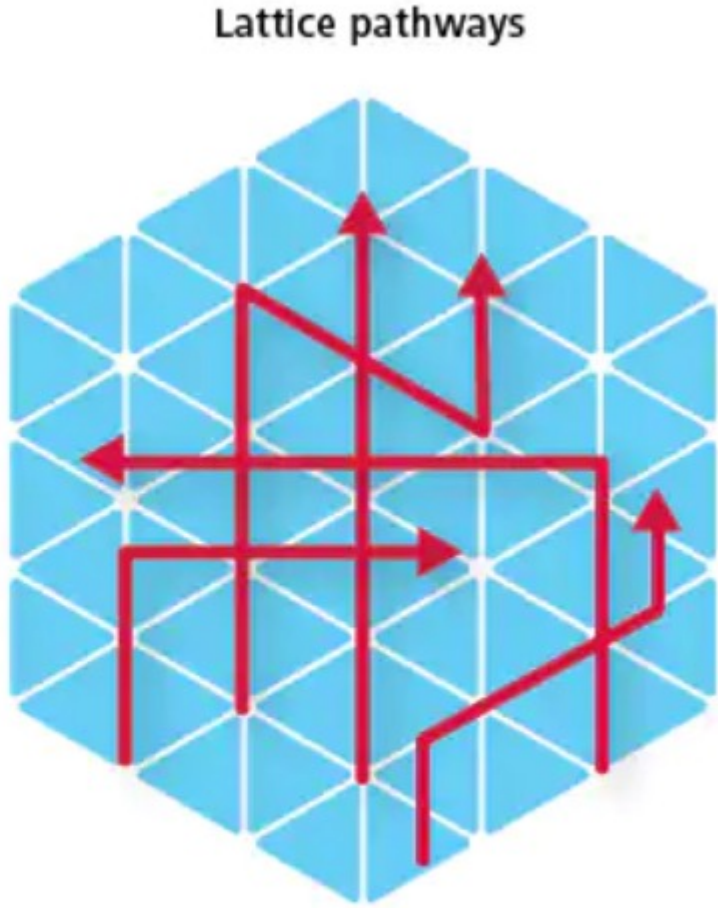
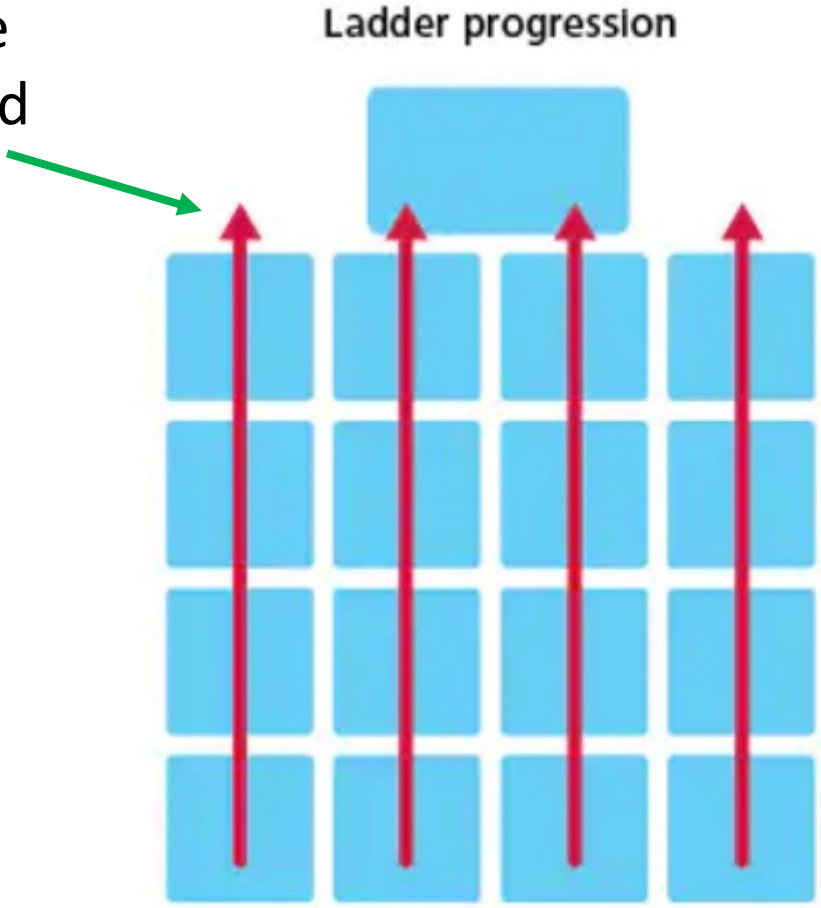
- Our opinions are formed by memorable moments, not averages*
- The first day on a job is a very memorable moment, but often for the wrong reasons
- Design a memorable start...
 - Lunch with supervisor
 - Get introduced to a mentor
 - Get a tour of the community learn its history and current character

*From: Heath, Chip; Heath, Dan. The Power of Moments: Why Certain Experiences Have Extraordinary Impact Simon & Schuster



Career Advancement: Ditching the Ladder in Favor of a Lattice*

Note the
Dead end



*Diagram from
Deloitte Insights



Self-Assessment & Professional Development: 32

Know Thyself



Do this,
even if just
for you!

Gallup's CliftonStrengths



Bringing a Bit of Google to Government

Famous products of
self-directed time



***Can government do the same
to increase autonomy?***

Growing out of Your Comfort Zone

- Much like physical exercise, take on difficult but achievable tasks to promote growth
- Managers can assign stretches or staff can suggest their own
- Stretch assignments could be about taking responsibilities associated with a more senior position, but don't have to be
- Stretch assignments must allow for autonomy in how to perform the task



Can it be Better Than a Root Canal?*

- Across studies on employee motivation spanning 46 years, only one factor was cited every time as among the top two motivators: “full appreciation of work done.”
- **The problem:** 80% of supervisors say they frequently express appreciation, while less than 20% of employees agree.
- Effective recognition is personal, not programmatic. (“Employee of the Month” doesn’t cut it.)

*Content from: Heath, Chip; Heath, Dan. The Power of Moments: Why Certain Experiences Have Extraordinary Impact Simon & Schuster



Learning to Manage: Going from Boss to Coach

- Technical acumen often gets people appointed to managerial positions, but...
- 71% of job switchers indicated a desire for a change in their direct supervisor as a key reason for leaving
- Learn to go from “the brains of the organization” to “helping others realize their full potential”





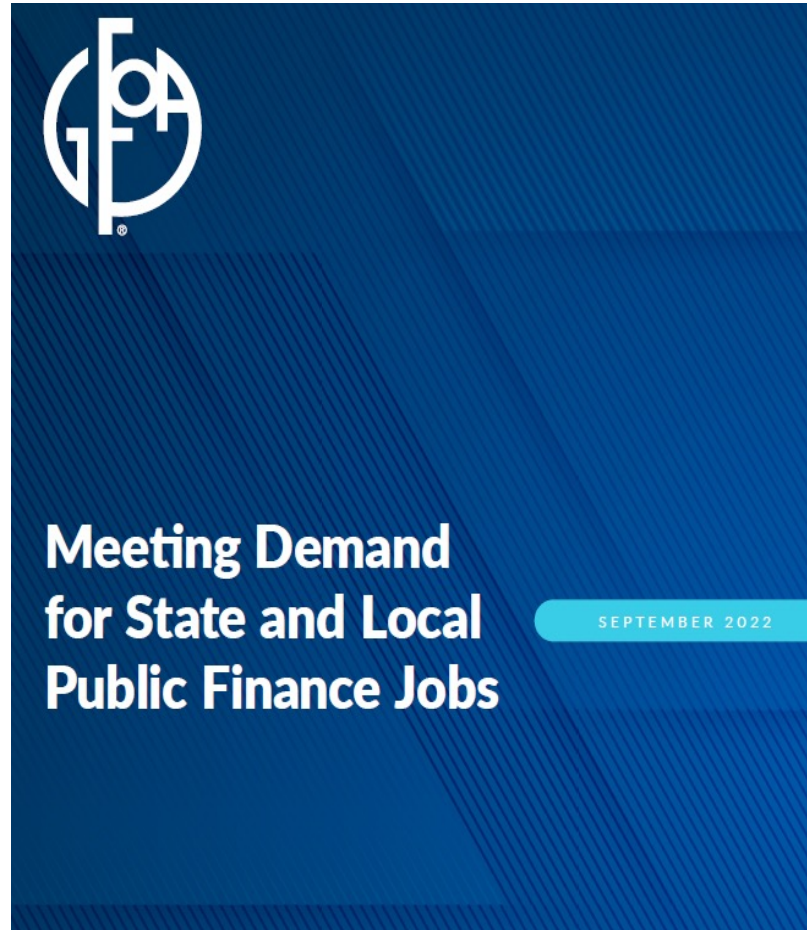
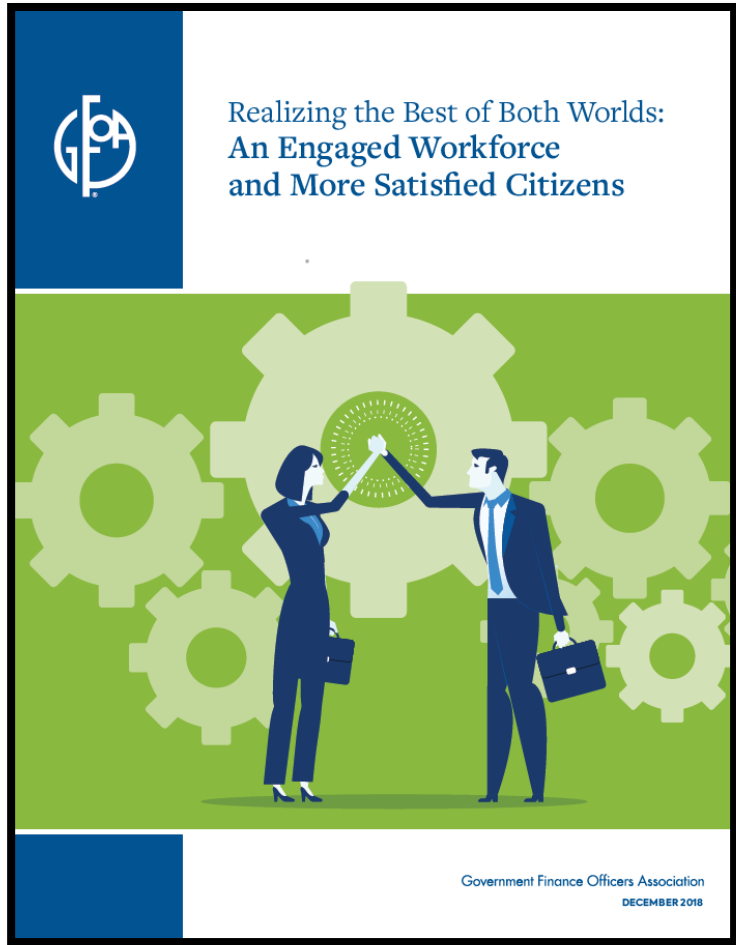
Psychological Safety

Which of these are you most likely to advocate for back at work?

Selecting Employees and Getting them Onboard	
A) Applicant Selection (character)	B) Onboarding Tour
Building Mastery, Autonomy and Purpose	
C) Career Advancement (Latter v Lattice)	D) Performance Appraisals (Recognize Good Work)
E) Self-Directed Time	F) Stretch Goals
G) Help Employees Know Themselves (growth mindset, strengths)	H) Supervisor Training (go from boss to coach)



Resources



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Thank you!

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