



# Employee Retention in Local Government

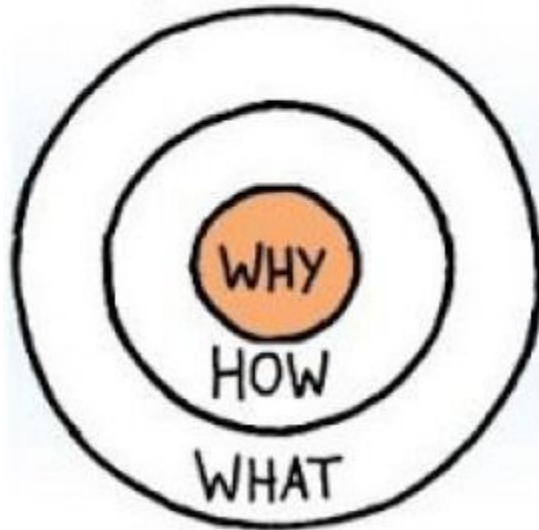


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# Staff Turnover: Where do I begin?

Act, Think & Communicate from the *INSIDE* OUT!



**WHY** - Your Purpose

Your motivation? What do you believe?

**HOW** - Your Process

Specific actions taken to realize your Why

**WHAT** - Your Result

What do you do? The result of Why. Proof

# Why am I concerned about turnover?

- External trends
  - Long term trends in the public sector hiring market (e.g. low pay)
  - Public & legal challenges / burnout
- Internal trends
  - Performance problems
  - A major forecasted change unaddressed
  - Poor employee morale
  - No opportunities for advancement
  - Disrespected in their role

# Why People Are Quitting Their Jobs

Most common reasons given for quitting previous job (Apr '21 - Apr '22)



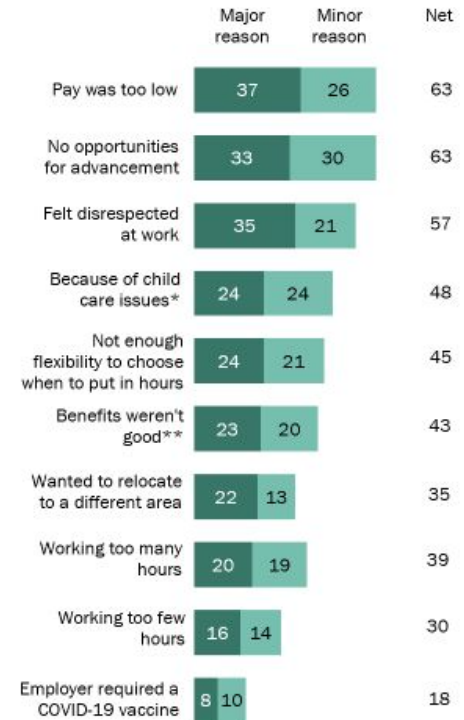
Based on a survey of 13,382 employees in Australia, Canada, India, Singapore, United Kingdom and United States.

Source: McKinsey & Company



## Top reasons why U.S. workers left a job in 2021: Low pay, no advancement opportunities

Among those who quit a job at any point in 2021, % saying each was a \_\_\_ why they did so



\*Among those with children younger than 18 living in the household.

\*\*Question provided health insurance and paid time off as examples.

Note: Figures may not add to subtotals due to rounding. Source: Survey of U.S. adults conducted Feb. 7-13, 2022.

# Public Sector Employees are Considering Leaving Their Jobs

52%



of state and local workers are considering leaving their jobs **voluntarily** due to COVID-19 to do **any or all** of the following: change jobs, retire, and/or leave the workforce entirely.

Working during the COVID-19 pandemic has made them consider:



36%  
Changing jobs



33%  
Retiring



28%  
Leaving the workforce entirely for the foreseeable future

These individuals are significantly more likely to be:

Under age 40  
African American  
In K-12 education  
At high risk of exposure to COVID-19 at work

Age 60+  
Earning a household income of \$100,000+  
At high risk of exposure to COVID-19 at work

Under age 40  
African American  
At high risk of exposure to COVID-19 at work

# Why am I concerned about turnover?

- Public & legal challenges



# Why am I concerned about turnover?

- Internal trends
  - Performance problems
  - A major forecasted change unaddressed
  - Management problems
  - Lack of work flexibility
  - No opportunities for advancement
  - Disrespected in their role

# Discussion: Why are you concerned?





# What is the most important information that you need to assess the situation?

- Transparent exit interviews
- Professional development plans
- Staff profiles by department for trend analysis
  - Management level
  - Age
  - Function
  - Race/ethnicity

# How does my organization evaluate turnover risk?

- Normal HR process
  - Individuals
    - Annual reviews
    - Exit interviews
  - Groups
    - Employee resource groups
    - Organization wide meeting



# What action should I take?

- Have HR conduct an analysis of available data
  - Exit interviews
  - Turnover by department
  - Gather additional needed information
- Examine HR performance and challenges
  - Does HR conduct exit interviews?
  - Is there an annual review process that identifies turnover risk?
  - Are there staffing issues with the HR function?

# What action should I take?

- Groundtruth assumptions with staff
  - Assess if identified external trends impact organization
  - Consider management challenges - staff are reluctant to honestly evaluate bad management
- Address institutional needs directly
  - Succession plans to address promotional obstacles
  - Create development pathways in between current roles
  - Experiment with new working relationships to develop talent
  - Conduct a salary survey with similar organizations

# When do I engage a consultant?

- Staff does not trust senior management
- Institutional trauma needs external support
- HR capacity cannot address the challenge\*



# Questions?



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# 10 Steps to Succession Planning

Succession planning has gotten even more challenging in recent years, given a changing job market, shorter employee tenure, and COVID-19 job turnover—which means that governments should make it an even higher priority. GFOA's 10 steps to succession planning will help your organization retain key talent and find skilled employees to replace staff members who move on.

- 1 Develop an integrated approach.** Organizations that don't rely on a "just-in-time" approach have higher retention rates, better employee morale, and an environment that stimulates innovation and organizational change.
- 2 Continually assess potential employee turnover.** Making career planning discussions a part of a regular and ongoing performance review process helps in assessing potential turnover.
- 3 Provide a formal, written succession plan as a framework.** Without a formal plan, workforce and succession planning tends to be haphazard.
- 4 Develop written policies and procedures to encourage knowledge transfer.** Have written procedures that formalize the knowledge transfer, including a meeting with departing staff to document job responsibilities.
- 5 Develop leadership skills as a key component.** The organization benefits from developing a leadership pool for other positions.
- 6 Encourage personal professional development activities.** The organization will benefit over the long term by helping employees gain the skills they need to assume increased responsibilities.
- 7 Design better recruitment and retention practices.** Don't focus more on recruiting new employees than on orienting and developing existing employees. For example, pay should be competitive with the marketplace.
- 8 Work out how collective bargaining agreements fit in with the overall succession plan.** Engage bargaining units for cross-training opportunities.
- 9 Consider non-traditional hiring strategies.** Options such as part-time work, job-sharing, volunteers, and flexible schedules and flexible-place arrangements help meet the needs of the organization and employees.
- 10 Be prepared by addressing the succession planning risks associated with essential positions.** The COVID-19 pandemic has demonstrated that many finance positions in local government are essential. All organizations need to be prepared with succession plans for all positions, especially those serving critical functions, as a business continuity strategy.