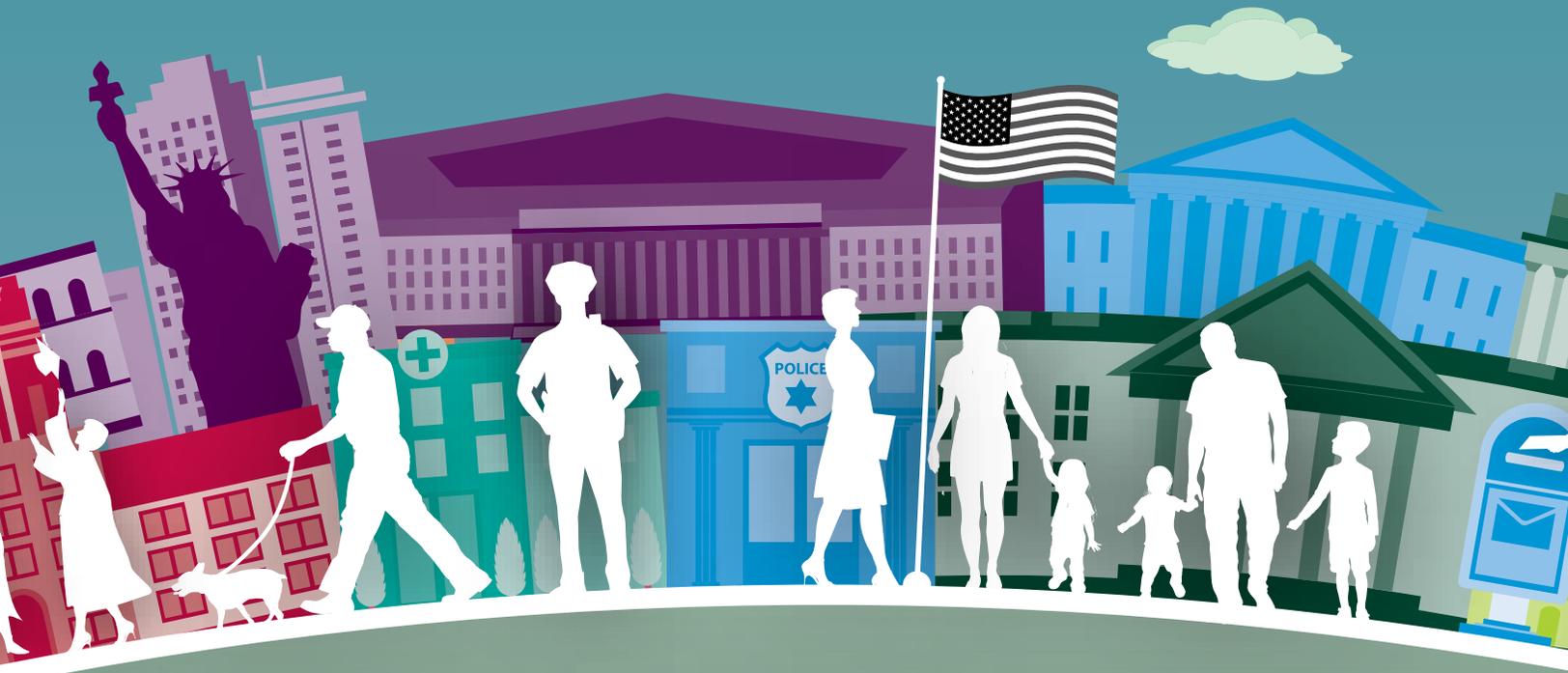


# Winning the Battle for Talent

Government's Toughest  
Challenge

High performance. Delivered.



State and local governments are in a battle for talent that will determine the quality of public services for the foreseeable future. Yet, many state and local leaders are going into that battle with outdated strategies and tools. Yesterday's promises of lifelong employment and secure pensions—the traditional lures of a career in public service—are not enough to attract and retain tomorrow's workforce. As demographic forces reshape the market for talent, state and local governments need to fundamentally change how they define, discover, develop and deploy the talent they need to deliver outcomes for the people and communities they serve.

## Talent crisis

The talent crisis governments face is the result of rapid demographic changes. After decades of continuous growth—indeed, for the first time in its history—the US is facing a decline in the percentage of the population that is of working age. Baby Boomers are retiring and will do so in ever-increasing numbers. At the other end of the age spectrum, Millennials have come of age and will add little additional growth to the working-age population. As a result, employers will have to compete for talent as they never have before.

Talent is not the only challenge governments face. The needs and expectations of the people they serve are also changing dramatically. Our population is better educated than ever, and we have access to previously unimaginable technological capabilities. As a result, the bar for public service quality, speed and accessibility has risen significantly—and governments need workforces that can meet those demands.

In the 20th century, state and local governments had a winning formula for attracting talent. Workers traded lower pay for higher benefits (including a pension) and enjoyed built-in protections from politics and favoritism—factors that are less attractive to today's prospective workers.

This is especially true for Millennials, who—given their sheer numbers—are critical to any talent strategy. By the end of 2015, Millennials will constitute the nation's largest living generation (see Figure 1).<sup>1</sup> This well-educated, ambitious, footloose generation expects a lifetime of careers (not one career over a lifetime). Being able to attract and retain them is the key to winning the battle for talent.

*Accenture Public Service Insights: Recruiting and Retaining Talent in the Public Sector*—a study recently completed by Accenture—highlights the challenge. In the survey, citizens who have had experience working for the government are twice as likely to find public sector employment attractive compared to those who lack such experience. What's more, Millennials are significantly less likely than the rest of the population to have had experience working for government. In fact, while those under 30 represent 26 percent of the private sector workforce, they are only 14 percent in state and local government.<sup>2</sup> And, while job security along with health and retirement benefits have traditionally been seen as major attractions of public sector employment, these factors are significantly less important to Millennials. In addition, Millennials are less responsive to compensation-related actions as a factor in retention.

Like the rest of the population, Millennials see the biggest differences in the attractiveness of public sector versus private sector employment in these factors:

- Effective leadership
- Recruiting and hiring process
- Flexible work arrangements (such as telecommuting)
- Career advancement
- Challenging work
- Professional development

These factors will determine whether state and local governments win or lose the battle for talent.

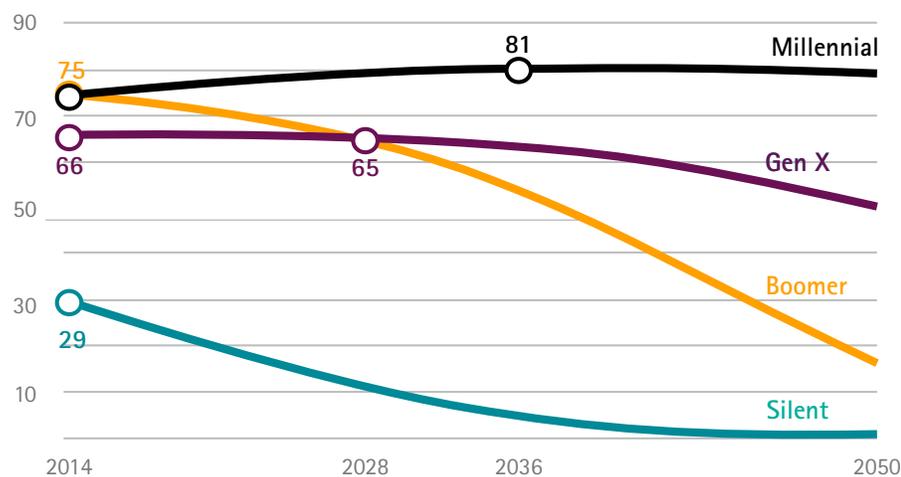
## A winning strategy in the battle for talent

To win the battle for talent, governments need to fundamentally change how they define, discover, develop and deploy the talent they need (see Figure 2). Accenture believes successful governments will:

- **Define** talent based on the value added and mission criticality of their skills and competencies.
- **Discover** and attract talent by developing talent pipelines directly to the sources of those critical skills and competencies.
- **Develop** talent by targeting the potential of people to acquire and demonstrate critical skills and competencies.
- **Deploy** skilled talent into an agile workforce with successful onboarding, career mobility opportunities and effective leadership.

Talent represents the critical link between a government's service strategy and its outcomes—turning strategy into work and work into results.

Figure 1. Projected Population by Generation (In Millions)



Note: Millennials refers to the population ages 18–34 as of 2015.

Source: Pew Research Center tabulations of U.S. Census Bureau population projections released December 2014

# 1. Define

Define talent based on the value added and mission criticality of their skills and competencies. Doing so enables governments to segment talent requirements and focus talent strategies.

## Ask the critical questions

Define talent needs by answering the following key questions:

- How critical is each role and its related skills and competencies to achieving the organization's mission?
- How much value does the role and its related skills and competencies directly contribute to the organization's success?

Four primary employee segments emerge from such an analysis (see Figure 3):

**1. MUST HAVE—High mission criticality and high value added.** This segment comprises those roles and related skills and competencies that are vital to achieving the government's mission and add substantially to its success. Governments need to focus on ensuring that these "must have" roles are always filled by high performers—whether as full-time employees or through long-term contracts.

**2. SPECIALIZED—High mission criticality and mid to low value added.** This segment comprises those roles and related skills and competencies that are critical to achieving the government's mission but that add less value in contributing to its success. Examples include mission-critical roles needed only occasionally or those requiring a unique specialty. Governments need to focus on ensuring that these roles are filled and available with high performers when needed. To that end, they could share a resource with others that have the occasional need for the same specialized skills and competencies.

**3. MAYBE IN, MAYBE OUT—Mid to low mission criticality and high value added.** This segment comprises those roles and related skills and competencies that are less critical to achieving the government's mission but add substantial value in contributing to its success. For this segment, governments need to pursue a mixed strategy of direct

employment supplemented by outsourced contractors to supply specific skills or to execute defined tasks or projects.

## 4. SUBSTITUTE TECHNOLOGY—Lower mission criticality and lower value added.

This segment comprises those roles and related skills and competencies that are both less critical to achieving the government's mission and add less value in contributing to its success. These tend to be roles performing routine tasks for which technology can be an effective substitute.

Creating this segmentation requires:

- Redefining all roles in terms of the skills and competencies they require. Such an approach marks a major departure from traditional job description/job classification

systems that emphasize the content of the work and supervisory relationships. This new approach focuses instead on skills and competencies needed to do the work.

- Maintaining discipline in assessing each role's value and mission criticality. There will be a natural tendency for "assessment inflation," which needs to be resisted if the result is to be strategically powerful. Having and using predefined criteria can help assure consistency and discipline.

While every workforce segment is important to the success of the overall organization, each has distinct current and future talent needs and strategies to fulfill them. Getting these definitions right and the segmentation complete is critical to any talent strategy.

Figure 2. Integrated Talent Management Framework

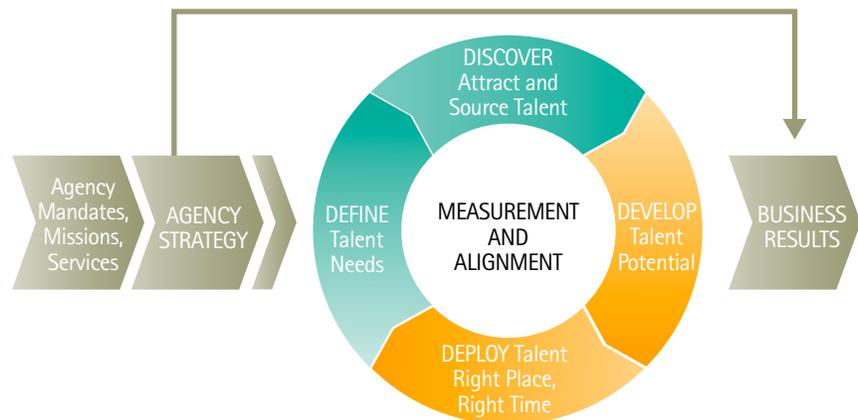


Figure 3. Segmenting the Government Workforce



## 2. Discover

Discover and attract talent by developing talent pipelines directly to the sources of critical skills and competencies. These pipelines enable governments to attract and secure the right talent at the right time.

### Use HR analytics to take you to the source

The first step to building a talent pipeline: identify the sources of the best talent. Although governments have the data they need to pinpoint their best sources of successful talent, most cannot turn it into useful information. HR analytics can—providing answers to these questions:

- Of our hires in the past five years, which have been the most successful?
- Where have our most successful hires come from? How did we connect with and recruit them? How long did it take? How about our least successful hires?
- Of those successful hires, what have been their career paths within our government? In what ways were they best prepared? Worst prepared?

Answering these questions can unlock critical information about sources of talent that are already working. With that knowledge, governments can point to other, similar sources of talent. Having multiple sources is the best way to assure reliable supply.

### Build pipelines to the best sources

A talent pipeline between a government and a provider or source of supply (for example, an educational institution, nonprofit or placement organization) is created through a set of mutual commitments.

The government commits to:

- Specify the skills and competencies it is looking for, along with the level of quality it expects.
- Provide feedback on the skills and competencies being produced.
- Provide learning opportunities, such as internships, apprenticeships, shadowing and direct instruction.

The provider commits to:

- Prepare candidates who meet the specifications.
- Modify recruitment and preparation based on employer feedback.
- Provide feedback on government-provided learning opportunities.

In a time of intense competition for talent, pipelines can reduce the risk of not having the right talent, not having enough talent and not having it at the right time.

### Enlarge the pool of available talent

In a fast-changing world, being a slow-changing organization can actually limit access to talent. Rules, policies and procedures that were assets in the past may be liabilities today. Changing them could open up new pools of talent.

Consider enlarging the pool of available talent through:

- **Flexible work arrangements.** Make time, place and duration flexible.
  - Use **telecommuting and remote work sites** to open up your talent pool to those with time and geographic limitations. (Doing so also will reduce the cost of building and maintaining offices.)

Although governments have the data they need to pinpoint their best sources of successful talent, most cannot turn it into useful information.

- Create **fellowships** to allow subject-matter experts with high-demand skills to share expertise and best practices with government agencies for a pre-determined time. A good example at the federal level is the Presidential Innovation Fellows program, which pairs government employers with private sector workers, including software developers and technology professionals, in six- to 12-month partnerships.<sup>3</sup> Other governments could launch similar initiatives—recruiting industry professionals interested in public service and providing targeted benefit packages for one- to two-year programs.
- Use **part-time work** to attract people with competing commitments (such as education or caregiving), and individuals who do not want a set “nine-to-five” schedule. Such candidates help employers fill positions with variable demand.
- **Flexible compensation structures.** To start competing on stronger footing with the private sector, governments should create flexible compensation and benefits models that allow tailoring of components to fit the skills and competencies required in different talent segments and in pursuing different talent strategies.
- **Education assistance.** The education debt of Americans under 30 has increased from \$13,000 to \$21,000 since 2005<sup>4</sup> and may be a factor pushing Millennials to seek private sector work. To counter this trend, governments could round out benefit and compensation packages with tuition assistance, student loan forgiveness, education credit offsets or other similar programs.
- **Re-engagement of experienced workers.** For experienced professionals who want to delay retirement, give back to their community, pursue a change of pace or learn something new, government employment in some form could be very attractive. By targeting certain roles with short durations, part-time hours or flexible work conditions, governments could open up new pools of experienced talent.

- **Go digital; move fast.** For Millennials in particular, the entire recruiting and hiring process must be digital, using both the web and social media, and it must move quickly. If processes are in line—not online—these candidates won't be in the pool.
- **Reinvent job classifications.** Today's classification systems are too complex, too focused on titles and supervisory responsibilities, and too often full of jargon and acronyms that confuse and alienate. A reinvented classification system would emphasize skills and competencies. It would make it easier for prospective employees to select the proper education and training programs to prepare themselves, and for experienced employees to evaluate how their specific skills and competencies compare to role requirements. It also would offer more agile careers, allowing mobility among state agencies and between state and local levels of government. Many transferable skills are in demand across all governments, and they should take advantage of the ability to share a common resource. By using a shared workforce model, a government can invest in training and benefits for an employee knowing they will be able to apply their skillset in more than one agency or department.

In the battle for talent, the best ways for government to assure it gets the talent it needs is to identify its best sources, build talent pipelines to those sources, and then expand the pool of talent from which it can recruit.

## Highlight:

# Increasing job retention (more than just a pay raise)

According to Accenture's recent talent survey, compensation isn't the only factor in increasing retention.

These are also powerful:

- Productive relationship with my manager
- Opportunities for advancement
- Skill development opportunities
- Flexible work arrangements
- Recognition from leadership

### 3. Develop

Develop talent by targeting the potential of people to acquire and demonstrate critical skills and competencies.

#### Today's workers are tomorrow's public service workforce

The vast majority of the workforce we will have in 2030 is already at work today. Thus, today's workers are every government's largest future talent pool. But will they have the skills and competencies governments need to meet the ever-rising expectations of those they serve? The answer is far from certain.

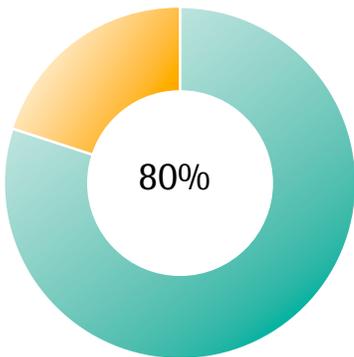
The Accenture 2014 College Graduate Employment Survey found that, while more than three-quarters of college graduates expect their employer to provide formal training programs for skills necessary to advance their careers, less than half receive it (see Figure 4).<sup>5</sup>

Accenture's recent survey reinforced that finding, highlighting the importance of professional development and career advancement as critical factors in making public sector employment attractive and in retaining talent.

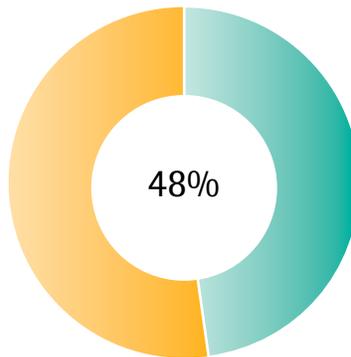
No government can win the battle for talent if it loses the fight to equip today's workers with the skills and competencies they need to succeed. Doing so requires:

- Making skills and competencies the "currency" for talent development. That includes specifying the skills and competencies required for each role and using skill and capability matching to identify career opportunities.
  - Having the ability to assess and certify skills and competencies through demonstration. Skills and competencies exist only in practice. A "show what you can do" approach is key to assuring that skills and competencies exist at the level required for success.
  - Creating an internal profile or transcript for each employee to track his or her accumulation of skills and competencies. This profile will be critical for helping employees chart their paths to new opportunities and for helping employers visualize the talent pools they have and those that need to be developed.
- Using multiple methods to develop skills and competencies. These include:
    - On-site classroom learning
    - Experiential, project-based learning
    - Apprenticeships, coaching and feedback
    - Computer-based training and simulations
    - On-the-job, real-time decision and task support (for example, job aids, searchable knowledge and insights, step-by-step process guides, after-action reviews)
    - Small group, peer-based learning
    - Gamification and badging to make the learning experience more interesting, memorable and relevant to today's workers
    - External programs that grant degrees or certifications

Figure 4. Employer Training Expected/Provided



80% of 2014 college grads expect their employer to provide a formal training program in their first job



48% of 2012/2013 grads received formal training in their first job

Source: Accenture's Great Expectations report

## 4. Deploy

Deploy skilled talent into an agile workforce with successful onboarding, career mobility opportunities and effective leadership.

### Onboarding on purpose

An employee's first days in a new job often involve a whirlwind of new and exciting experiences. But that excitement can quickly give way to anxiety—unless employers use onboarding as a chance to integrate new hires into the organization and prepare them for success.

Onboarding should be purposeful about assuring that every new employee:

- Knows his or her role and the connection between that role and the purpose of the organization.
- Clearly understands performance expectations, performance information and the assessment process.
- Connects with colleagues.
- Begins making a contribution as soon as possible.
- Has a coach and gets performance feedback early and regularly.

Every new employee is a gift to an organization. Effective onboarding makes the most of that gift—for employees and the organization.

### Encouraging mobility

To develop workforce agility, public service organizations need to encourage mobility—both vertical (promotions) and horizontal (transfers). The ability to switch between roles that require similar skillsets helps diversify an employee's career, retains talent within a government and improves workforce agility. For example, the Washington State Career Opportunities website notes, "As your knowledge and skills grow, so will your options. You'll likely find opportunities for advancement within your agency, or you can check out similar jobs in other organizations."<sup>6</sup> Government career models should stress the ability to experience multiple career paths and job

roles, capitalizing on transferable skills and explaining how they can be leveraged in different segments of the organization. The crucial message (especially to Millennials): "You can have as many careers as you want—right here."

By enhancing workforce mobility, governments can increase retention of critical skills while increasing government's ability to respond to the ever-rising and changing expectations of those they serve.

### Leading beyond performance management

In the past, the HR department was responsible for providing talent. In that design, leadership focused almost exclusively on holding talent accountable for its performance of established processes. That approach was possible when talent was plentiful and could be readily replaced and when work focused more on processes than on outcomes, change or innovation.

Today, however, talent is scarce. It is hard to replace. And, governments must find and keep the talent they need to meet the relentlessly changing expectations of the people they serve. In this environment, the expectations of leadership must change as well. To succeed, every leader must become a talent manager responsible for defining what they need, finding it, developing it and deploying it successfully over time.

Of course, most of today's leaders were "trained" by our 20th-century talent system to complain and blame HR without assuming responsibility and accountability for their teams' talent. That must change. We must prepare our leaders for the battle ahead—arming them with the skills, competencies and tools to win.

New leaders will need to be able to:

- Segment their talent needs based on value added and mission criticality, creating and executing talent strategies unique to each segment.

- Connect skills and competencies to roles, and roles to results.
- Identify talent pools, and then build and sustain pipelines to those sources of talent.
- Target, track and manage the development of needed skills and competencies within the workforce.
- Assure that onboarding prepares new employees to succeed.
- Encourage and manage mobility to retain critical skills and make the workforce increasingly agile.

### Gaining a competitive edge

Governments are in a perpetual battle for public support. To win it, they must first win the battle for talent. Accenture's recent talent survey suggests they can. One-third of the overall population—and one-half of those with experience in government—are attracted to work in the public sector. But Accenture's recent study shows that leaders in government are not doing enough:

- Two-thirds of government leaders are already finding it hard to recruit and retain talent.
- Only one in 10 feel prepared to meet the challenge of attracting and retaining the talent they need.
- Almost half have made little to no change in their approach to talent management in the last two years.

Governments have tried several approaches that have proven effective in making public sector employment more attractive. These include better opportunities to make a meaningful difference to society, more inspiring leadership and greater clarity about how each role contributes to the mission. Even so, they have not pursued other approaches identified by potential employees to the same degree or with the same effectiveness—including better/more flexible career advancement opportunities, better professional development opportunities and better compensation.

## Conclusion

To win the battle for talent, state and local governments need to fundamentally change how they define, discover, develop and deploy the talent they need. Failing to act is admitting defeat—dimming the prospects for our public services and, ultimately, for the people and communities they serve. The time to start is now.

## Methodology

In March 2015, Accenture conducted an online survey of US voting-age citizens.

The purpose of the study: to gauge citizen attitudes toward public sector careers and employment, identify factors that make public sector employment attractive, and determine how to improve recruitment and retention of public sector employees. Study results are based on a census-representative sample of 1,103 US voting-age citizens.

Results for citizens are statistically significant with a confidence level of 95 percent and a margin of error of plus or minus 3 percent.

As part of the same study, Accenture surveyed public service leaders to identify talent management approaches they use, compare their perspective to citizen attitudes and preferences, and determine how to improve recruitment and retention of public sector employees. Results are based on an online survey completed by 72 leaders from 18 states and the city of New York in March and April 2015.

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What does it take to deliver public service for the future? Public service leaders must embrace four structural shifts—advancing toward personalized services, insight-driven operations, a public entrepreneurship mindset and a cross-agency commitment to mission productivity. By making these shifts, leaders can support flourishing societies, safe, secure nations and economic vitality for citizens in a digital world—delivering public service for the future.

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