

Six Workforce Trends to Watch in 2023

State and local governments, along with other public service organizations, faced yet another challenging year. At the same time, public service leaders have gained important insights on approaches to workforce management and support while attracting new talent.

Recent research by **MissionSquare Research Institute** highlights key strategies and actions public service employers can take in 2023 to be employers of choice. Based on its research, the Institute offers six workforce trends to watch in 2023:

1 | Communicate the Full Value of Benefits

The wages advertised for a position represent only a small portion of the full value of a job's financial and other benefits. Public service jobs often include more than "traditional" benefits like health insurance, pensions, and deferred compensation. Benefits also can include paid leave, life insurance, flexible scheduling, and student loan or housing assistance. And, job benefits also can offer important intangibles like greater job stability in the public sector, which enhances an employee's ability to save for emergency expenditures and long-term plans. In advertising vacancies, governments will find greater success by quantifying this full value proposition.

2 | Customize Recruitment Appeals

Diversity, equity, and inclusion (DEI) programs are important to many jurisdictions' recruitment and retention efforts. But just expanding recruitment outreach to include a nearby HBCU, for example, does not mean there's a truly customized DEI effort. Rather, each position's recruitment plan may include new audiences, active partnerships with outside agencies (e.g., colleges, school districts, job training programs, neighborhood or civic associations, specialized media, and private sector groups). It also may include outreach that communicates in ways that best resonate with audiences – trading bureaucratic descriptions for mission-focused appeals and plain text. Employers may also benefit by tailoring campaigns to appeal to candidates with different benefit focuses depending on their life stages or economic circumstances.

3 | Maintain Retirement Plan Funding

While 2021 data showed steady funding for retirement plans, 2022 brought significant economic volatility impacting individual finances and worker anxiety. The first mission for plan sponsors is to weather volatility and commit to maintaining actuarially determined contributions. This will help ensure funded levels do not drop, which would place additional pressure on future contributions or on potentially higher-risk investment strategies designed to make up for any shortfalls. Full funding of retirement plans supports the dual goals of long-term fiscal stability and leveraging retirement plans to serve as effective workforce recruitment and retention tools.

4 | Restructure the Workforce

The Great Recession and The Great Resignation have been significant disrupters to the public workforce status quo, offering opportunities to rethink future staffing models. Workforce restructurings anticipated in 2023 and beyond stem not only from the pandemic and economic changes. They are also tied to evolving technologies touching every field from accounting to customer service to transportation. And while automation may not fully replace certain jobs, it is certain to contribute to job restructurings, the need to update job descriptions, and the consideration of part-time or temporary staffing models. Concurrently, employers can explore new ways of partnering in the provision of services with other governments, gig workers, or the general public.

5 | Take a Holistic View

The pandemic normalized the idea that it is okay for workers not to be okay. Now, there's a focus on worker mental health and burnout as real concerns that employers must take seriously. And as persistent inflation leads to consideration of compensation changes, it will no longer be enough to point to cost-of-living adjustments and end the conversation with employees there. Rather, employers should lean into difficult conversations with team members about their financial stress, workload, health, or childcare issues. Employers can also engage with their workers to better understand their career goals, preferred professional development paths, and the aspects of their jobs they find most rewarding.

6 | Prioritize Data Driven Decision Making

The Institute's recent DEI survey found a majority of governments identified workforce DEI as a priority, yet about a quarter are not tracking DEI results. Institute research also found 85% of governments are performing exit interviews, but just 37% are performing employee satisfaction surveys, while only 11% are conducting stay interviews. Given these findings, it is not surprising that less than six percent of governments are using the data from such methods to evaluate their DEI results. More generally, public service workforce management cannot be viewed as something that is only managed at budget time or the end of a worker's career. Instead, it requires timely analysis of recruitment results, regular check-ins with existing staff, and strategic action on the data collected to avoid preventable staffing or retention problems.

Related Research and Resources

- [How Employer Benefits Can Help Public Sector Worker Anxiety Over Current Economy](#)
- [Benefits of State and Local Government Employees](#)
- [Continued Impact of COVID-19 on Public Sector Employee Job and Financial Outlook, Satisfaction, and Retention](#)
- [State and Local Workforce 2022](#)
- [Managing Workforce Diversity, Equity, and Inclusion in Local Government: Survey Results](#)
- [Public Plans Database Snapshot](#)
- [Public Plans Data](#)
- [Lessons for Employers from Fellowship Applicants \(forthcoming research\)](#)

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