

# Succession Planning Human Capital Issues



**Department of Human Resource Management**

IT Advisory Council

Commonwealth Enterprise Solutions Center

August 1, 2011



# Workforce Planning Issues

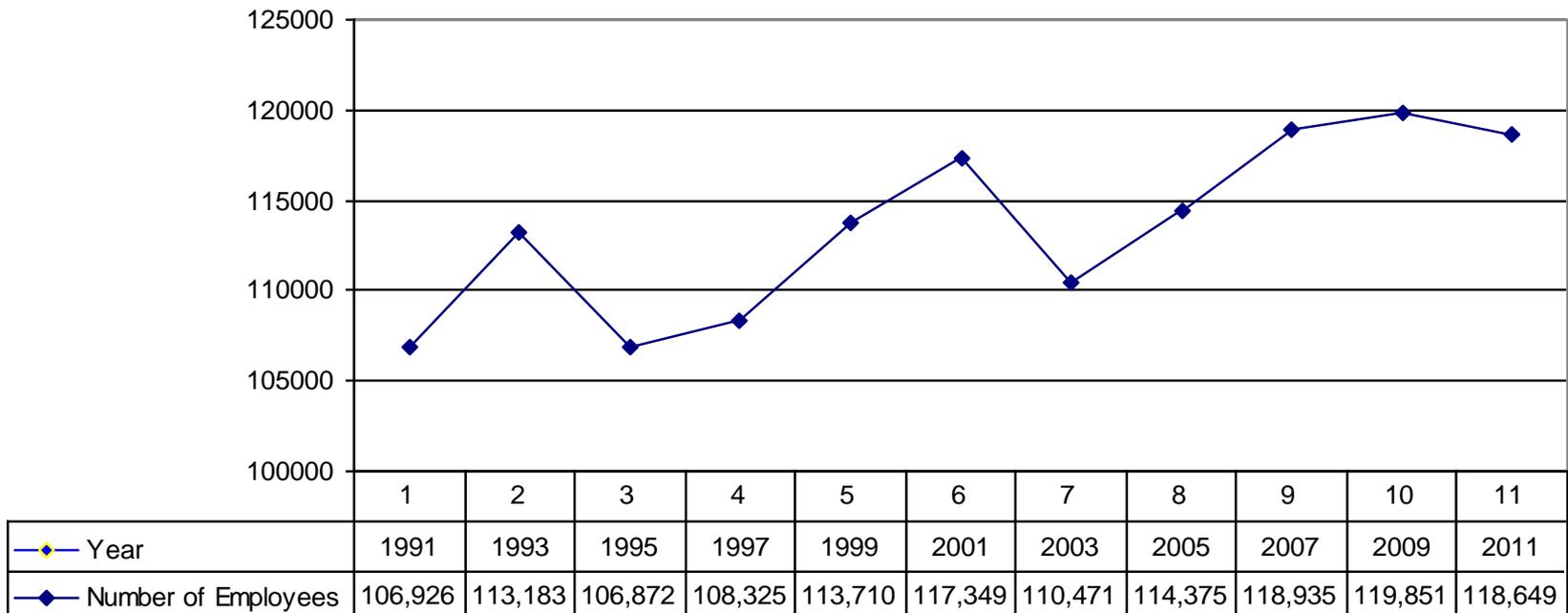
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- Aging workforce
- Increasing workloads
- Increasingly complex programs
- Doing more with less
- Increasing salary challenges
- Hiring replacements
- Training and development
- Developing needed skills
- Increasing security issues

# Total Full-Time Equivalent State Employees

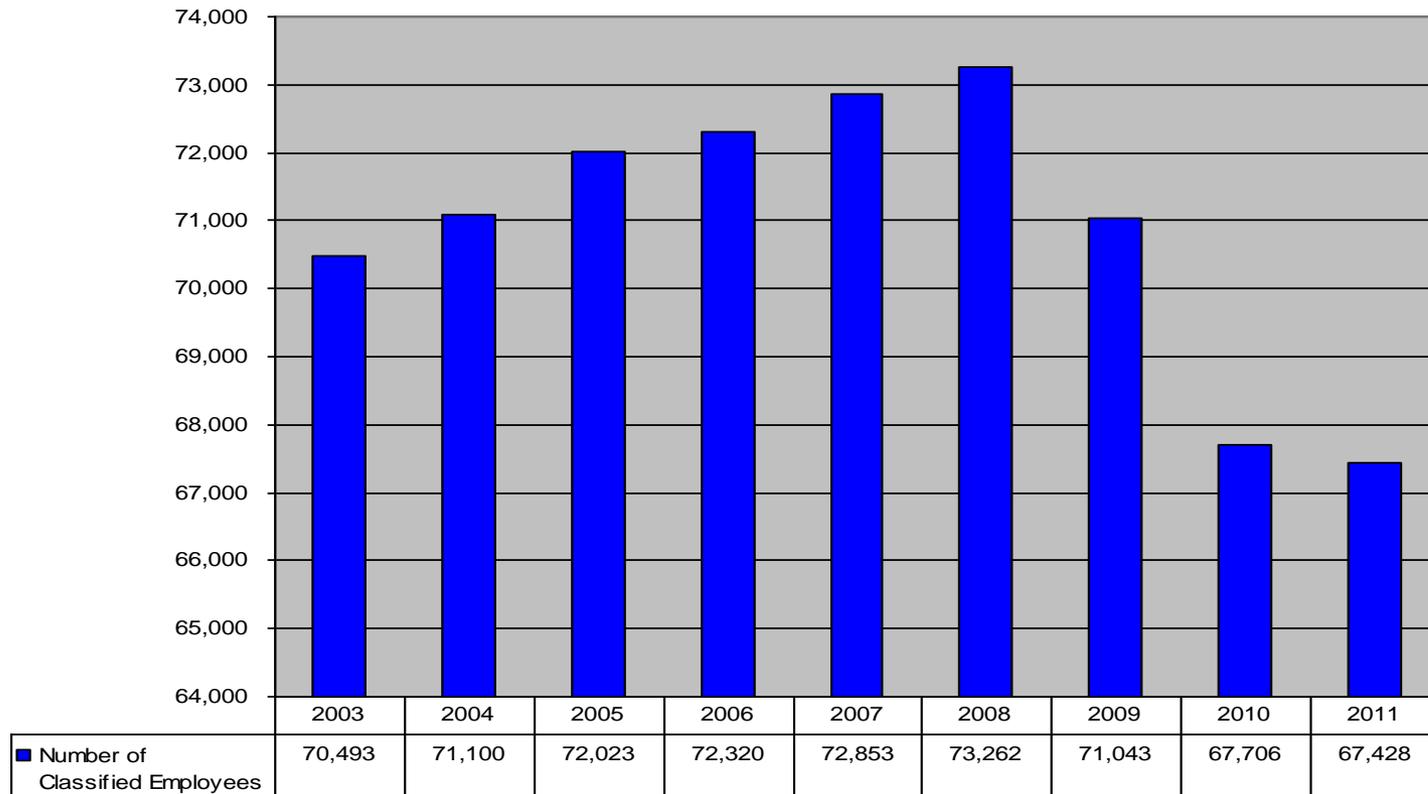


- FTEs increased 11% in the last 20 years
- FTEs increased 1% in the last 10 years



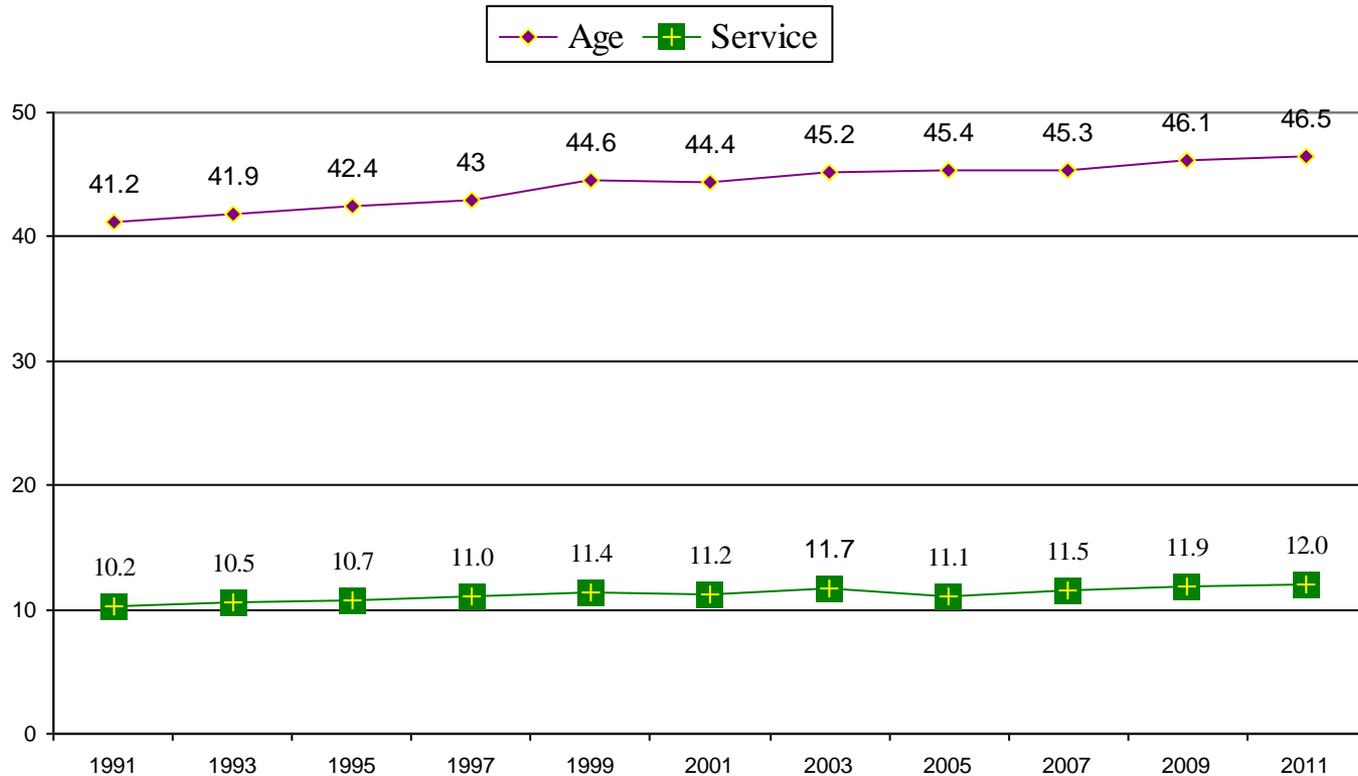
# Total Full-Time Equivalent Classified Employees

- Classified FTEs decreased by 8% in the last 3 years



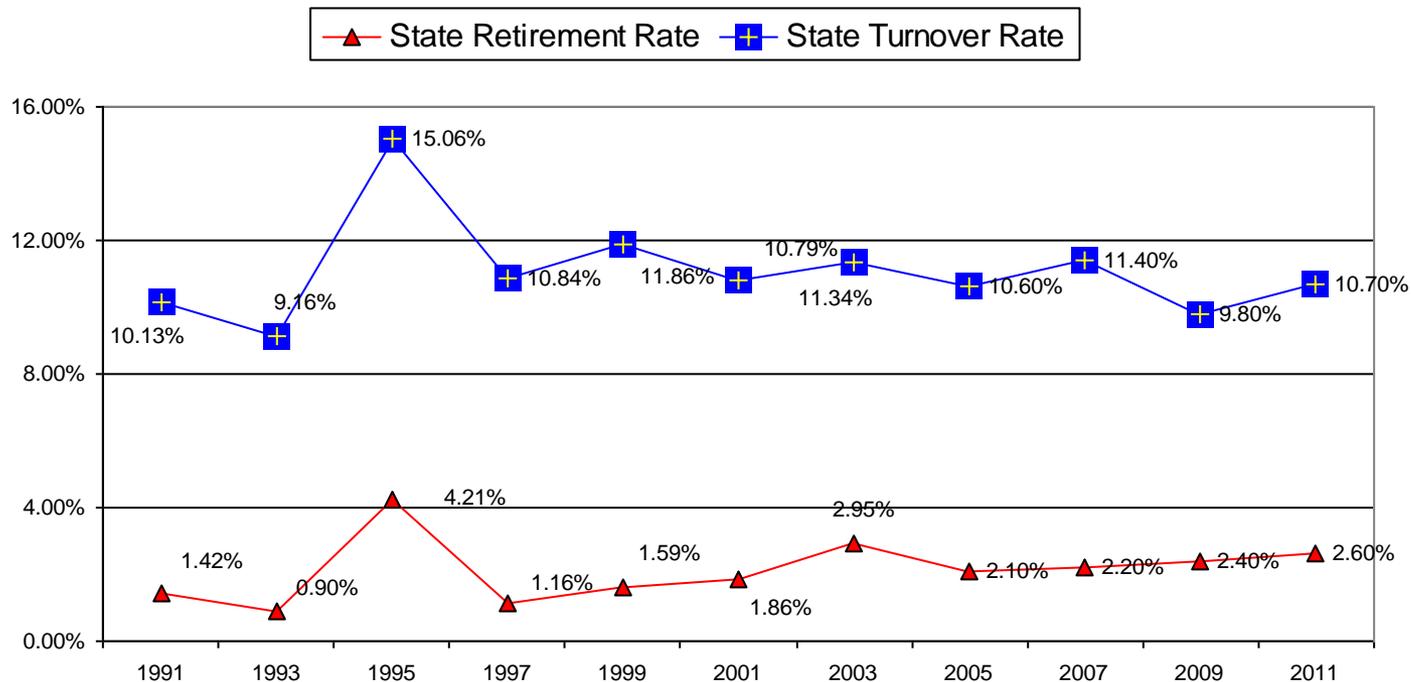
# Classified Employees Average Years of Age & Service

- Average age increased 10.4% in last 20 years
- Average years of service increased 17.6% in last 20 years



# Classified Employees Turnover Rates

- 10.7% of classified employees eligible for unreduced retirement





# Classified Employees Turnover by Years of Service

- Highest turnover is in the first 5 years of service

<b>Length of Service</b>	<b>% Separation</b>
0 to 4.9 years	53%
5 to 9.9 years	14%
10 to 14.9 years	8%
15 to 19.9 years	5%
20 to 24.9 years	6%
25 to 29.9 years	4%
30 years and over	10%

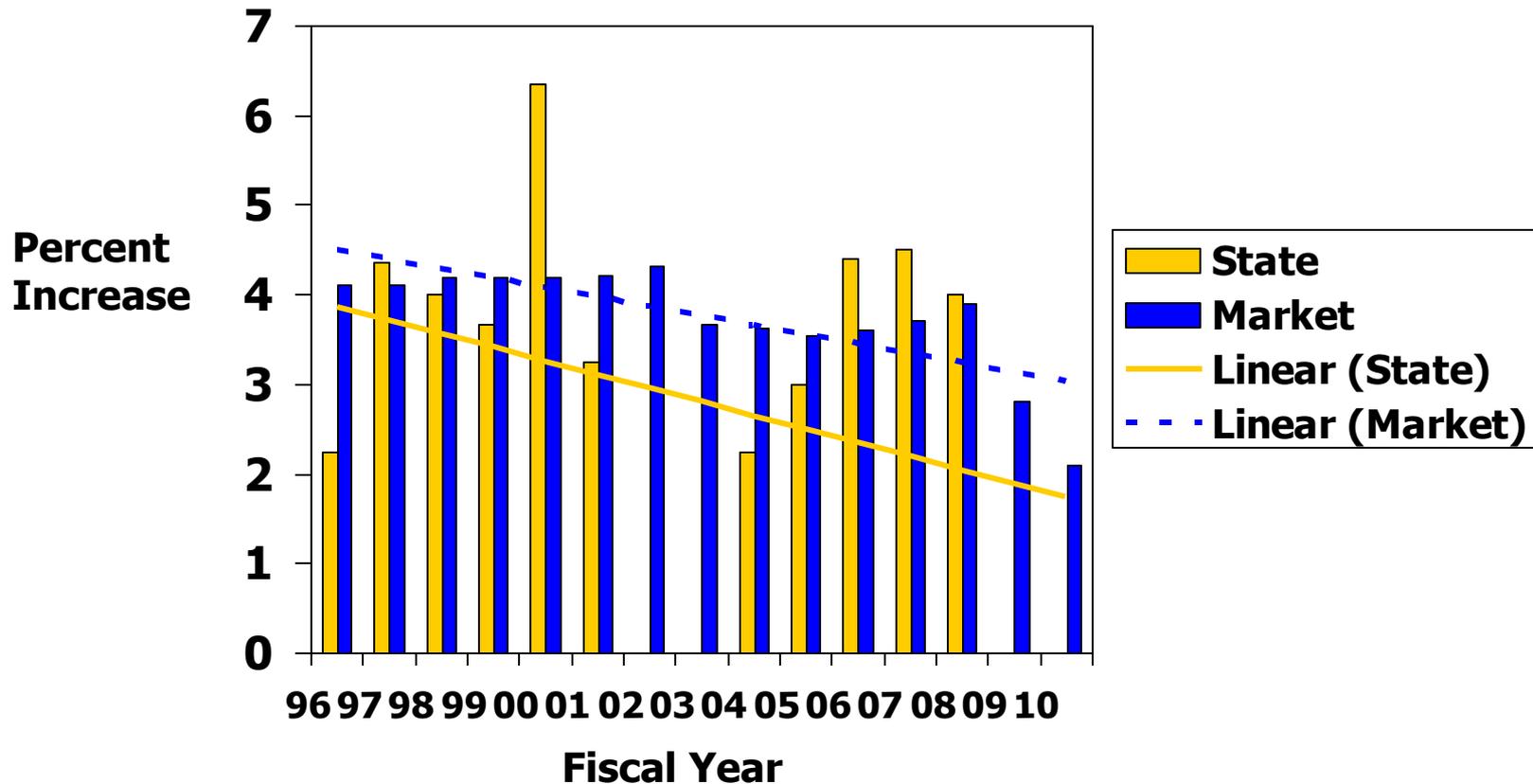
# Classified Employees Salary

- Average salary \$43,843
- Median Salary \$38,957
- Lowest Salary \$ 8,070
- Highest Salary \$247,890



# State Employee Salary History

- State employee salary increases lag the market





# Management Issues

- Aging of the classified workforce
  - 46 average age
  - 10.2% are under 30 years of age
  - 12.5% are age 60 and older
- Eligible for unreduced retirement
  - 10.7% June 30, 2011    7,214 employees
  - 23.9% in 5 years        16,094 employees
  - 40.4% in 10 years       27,265 employees
- Knowledge transfer



# Staffing Risks

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- High retirement rates
- High skill or experience required
- Few employees with replacement skills
- Compensation levels are not competitive

The logo for the Department of Human Resources Management (dhrm) is located in the top left corner. It features a yellow square above a blue square, with a red square containing a white checkmark and the letters 'dhrm' in blue. A vertical black line is positioned to the right of the logo.

# Challenges

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- Image of public service
- Funding
- Perception of limited career and salary growth for state employees
- Available skill sets in the labor market
- Hiring freeze