Talent in Focus
The Public Sector

talentinsight GRP
ACQUISITION & INTELLIGENCE

The Scale of the Challenge

"The public service workforce is facing a crisis. Staff shortages are significant, and having a serious impact upon service users. Morale is very low, and employers are not doing enough to make public service careers attractive to prospective staff. There is considerable difficulty in recruiting. This vicious circle will get worse. The inescapable demographic fact is that demand for services will rise far faster than the working-age population. The proportion of the population with multiple and complex needs will rise further, even as the labour market available will be smaller. The challenge is substantial: the public sector will have to deliver the same or better outcomes with less labour available."

House of Lords, Public Service Committee
Fit for the future? Rethinking the Public Services Workforce (July 2022)

The words of the House of Lords Public Service Committee provide a stark reminder of the challenges faced by the public sector workforce, one that is echoed by a later House of Commons Committee report.

The story of low morale damaged by chronic pay issues, including real-term pay cuts, continues.

One clear illustration of the issues faced is the sustained period of staff unrest across health, social care, and education in recent years.

Pay offers have fallen short of expectations during wage stagnation and inflation, and overstretched workers have demanded more from their employers, leading to the most significant sustained period of strikes in recent memory.

However, the latest report also highlights issues beyond headline pay disputes. These include pay disparities across departments for staff at the same grade level, an average lead time to hire of 99 days, and a need to understand the cost of recruitment and how to make it more efficient.

While pay awards are outside the control of many, much can be done to attract and retain talent in the public sector.

An openness to change and new ways of working, including embracing new technologies, accelerating the pace of change and adopting more transparent processes, can help employees see their work make a difference and ensure a fair deal for all.

But it's also essential to change the story we tell about public sector work. There are many benefits that are often overlooked, from job stability and generous pension schemes to the deep sense of purpose employees experience when working for the good of the greater community.

On average, it takes

99 days

to hire new staff.

Candidates requiring the highest level of security clearance taking an additional

171 days

on average.

Pay

Pay is undoubtedly a top concern when attracting and retaining talent in the public sector. In recent years, a lack of pay parity with the private sector has widened, with public sector pay falling behind as inflationary pressures push up the cost of living.

With pay bodies slow to respond to the widening gap, many professions turned to their respective trade unions, resulting in a prolonged strike action to force change. And whilst pay awards have improved, many still lag behind inflation, particularly for those in higher-paid roles such as doctors and experienced teachers.

According to the Institute for Fiscal Studies, average doctor pay in the autumn of 2023 was almost 15% lower than in 2010, with teacher pay lower by around 9%.

"Doctors, experienced teachers and senior civil servants are all paid considerably more than the average worker.

That might make holding their pay down, while increasing the pay of lower-paid public sector workers, look attractive to the government. But pay needs to reflect skills and outside options. The public sector has always been more generous to its lower-paid employees, and less generous to the highest-skilled, than the private sector. This can be pushed too far.

Large cuts to the pay of higher earners in recent years have contributed to problems of recruitment and retention, as well as industrial strife.

We may need to see pay inequalities in the public sector rise if it is to remain at all competitive with private sector options for higher earners, many of whom play a critical role in public service delivery."

Jonathan Cribb, an Associate Director at IFS

Morale & staffing shortages

While pay continues to be a critical factor in the struggle to attract more workers into the public sector, the number of vacancies is compounding the issue. Low staff levels are putting stress on current public sector workers tasked with ever-higher workloads and contribute to higher attrition rates.

The Fit For The Future? report gives examples of the impact across public services. Healthcare workers were reported as "exhausted and overstretched", and the Police Foundation reported "low morale, poor wellbeing, and unmanageable workloads". Similar comments were made about staff working in children's social work, adult social care, education, and prisons.

Education

In 2021–22, the Department for Education (DfE) missed its teaching recruitment target for science, technology, engineering, and maths (STEM) subject teachers by almost 30% and the physics teacher recruitment target by nearly 80%.

The NHS

Between 2015 and 2021, NHS England and NHS Improvement reported an average nursing vacancy rate of 10.5%.

Adult social care

Skills for Care reported that 10% of social care posts remained vacant in April 2022, up from 6% in March 2021. The LGA Local Government Workforce Survey showed more than nine out of ten local authorities are experiencing staff recruitment and retention issues, which, in turn, is driving an unsustainable reliance on agency staff, particularly in social care.

Prisons

Nearly one in seven prison officers left the prison service in the year before May 2022, with three-quarters of them resigning.

Beyond pay and staffing levels, the House of Lords reports other concerns. The slow pace of change, a lack of efficiency, and a reliance on outdated systems are common complaints. Those in senior roles are often in the public eye and subject to higher scrutiny than those in private companies.

Meanwhile, the staff on the frontlines feel undervalued and unrecognised for their work and do not feel empowered to act with autonomy to provide compassion and care.

"We all lose out if the government is unable to recruit and retain workers in sufficient numbers, with the most vulnerable members of society often disproportionately affected."

Mark Franks, director of welfare at the Nuffield Foundation

Recruitment

According to the CIPD, 52 per cent of public sector employers report hard-to-fill vacancies, a figure significantly higher than the 33% reported in the private sector.

The CIPD Labour Market Outlook found that recruiting in the strike-affected health and education sectors was particularly difficult, with 60 per cent of businesses in the education sector and 55 per cent of companies in the healthcare sector reporting difficulty filling job roles.

In the survey of 2,019 senior HR professionals and decision-makers, 45 per cent of employers in the public sector predicted that there would be considerable difficulties filling positions over the next six months.

Employee motivations

Headline pay is not the only motivation for public sector workers. Public sector work attracts those looking for a strong sense of purpose and meaning in their work, those looking to make a difference and better reflect the needs of their community, and those looking for long-term financial security.

These factors should not be taken for granted as they have enormous implications for employee motivation, engagement and productivity, all of which contribute to better outcomes and more efficient services.

Meaningful work

Employees are searching for recognisable impact and important work, an area where the public sector is primed to deliver if it is structured to handle change.

Purpose

Many of those attracted to the public sector feel they have a civic mission or a sense of duty. They see themselves as serving the community and contributing to the greater good. Public sector work offers the chance to serve the community, be part of transformative projects, and contribute to projects that have national and cultural significance.

7 out of 10

Millennials and nearly

6 out of 10

Gen-Zers **would leave their jobs in the pursuit of meaning** at work.

Source: Egon Zehnder

Financial Stability

Whilst headline pay is always a consideration, a public sector career has the potential to offer a more secure career with enhanced protection and retirement benefits.

Representing 'people like me'

Communities are better served when organisations reflect their constituents. Many are drawn to public services to ensure their communities' needs are better understood and represented.

Solutions

Short-term measures

To address the challenge, a long-term, preventative strategy is needed alongside a plan to address immediate talent shortages.

Broaden the search

Casting the net wider to look beyond traditional recruitment methods such as government portals and newspaper job boards increases the visibility of open positions and accelerates the development of a diverse talent pool. Our proactive talent mapping service provides an in-depth overview of available talent, using research techniques that identify potential candidates, whether they are looking for a role or not.

Adopt a culture of recognition

Recognition and reward are a key part of the employee experience, and they don't always have to come with a cost. From a simple thank you for a job well done to wider recognition across an organisation and beyond. The act of acknowledging good work is hard to argue against.

Management must take care to ensure different sections or teams are recognised equally.

A process to nominate colleagues can help avoid a situation where employees feel overlooked by a narrow group choosing who to recognise in communications. The same also applies to those put forward for external recognition, such as industry awards.

Rewards can range from small gestures to bigger investments. Finding out what motivates the individual and shaping a reward to suit can contribute to the sense of value in the experience.

Talent Mapping Case study

See how Talent Mapping helped our client fill a role that had been vacant for over 6 months.

READ THE CASE STUDY

Short-term measures

Implement skills-based hiring

Turning the focus towards skills rather than institutions and employers is proving successful. 92% of employers agree that this approach is better at identifying talent.

Resume-based hiring can be prone to bias. In contrast, skills-based hiring assesses the skills needed for the role and bases the hiring decision on this information. The result is a broader and more diverse talent pool.

A simple step in this direction is to implement tests in required skill areas rather than relying on examples given in response to interview questions.

Use Talent Intelligence

Talent intelligence is a research-led approach which equips you with the insights you need to make smart data-based decisions. This can include benchmarking competitors for talent, benchmarking total reward instead of focusing purely on baseline salary, mapping the market to uncover untapped talent pools, and using location analysis to evaluate relocation and expansion options. These short-term projects have a valuable long-term impact, ensuring you make the best decisions to attract and retain talent.

Why use Talent Intelligence?

Talent intelligence gives you access to key insights into the external market, allowing you to make better informed, data-driven people decisions.

The insights you gain can help guide decisions on location choice, remuneration packages, organisational structure and more.

Discover the possibilities with Talent Intelligence

SEE HOW WE HELP

Short-term measures

Review your EVP and Employer Brand

A strong Employee Value Proposition ensures candidates know who you are, what you offer, and why you're different from the competition. It communicates how what you offer coincides with what prospective employees are looking for. This holistic framework encompasses purpose, values, career path, flexibility, compensation, culture and community, and the working environment. The outward expression of this is your employer brand.

The importance of a strong employer brand can be seen in public sector campaigns such as TeachFirst, which placed over 16,000 teachers in low-income areas.

Despite being highly selective, TeachFirst attracted more than double the applicants compared to other teacher training programmes by focusing on "brand profile and brand appeal".

Public service organisations must communicate the advantages of working in the public sector to attract the best talent. There are obvious opportunities to align with employee motivations by focusing on the purpose and mission of public service, financial stability (particularly regarding pensions), and the opportunity to better represent those they serve. Each body will bring its own strengths and weaknesses to bear when going through this process, so there isn't a simple one-size-fits-all solution for the public sector.

The Employee Value Proposition

Want to learn more about developing your own strong EVP?

Read our in-depth guide to learn more about:

- The cost of low attraction
- The talent lifecycle
- The six components to a strong EVP
- How to develop your own EVP

TAKE ME TO THE GUIDE

Long term strategy

Take a strategic view of workforce planning

Workforce planning involves creating a long-term plan to address the skills gaps now and those that are likely to emerge in the future. This plan can then inform the priorities for L&D programmes and future recruitment needs.

Strategic workforce planning in a world of uncertainty

One of the key challenges for teams is accurately predicting hiring needs, all against a backdrop of changes in the economy, consumer confidence and even where employees will be working.

WORKFORCE PLANNING GUIDE

Strengthen career pathways

Clear career pathways are crucial to retention. Strengthening this area involves assessing the current career development opportunities open to your employees and mapping role progression against L&D programmes that help employees reach their goals within the public sector.

Modern apprenticeships provide one pathway to develop new talent, including in areas such as nursing, policing and social work and are an area of significant underspend.

According to a report by The New Statesman, more than £300m of funding for apprenticeships available to the NHS, local government, police force and other public sector employers has been left unspent since 2018. The £300m of unused funding could have helped the public sector create nearly 30,000 more apprentices and is the result of the underutilised apprenticeship levy, which requires all employers with an annual payroll of £3m or more to contribute 0.5 per cent of their total pay bill to finance apprenticeships. It estimates that public sector organisations paying the levy are losing £1 of every £4 it raised.

Long term strategy

Advancing digital transformation & automation

The scale of public sector IT projects has traditionally slowed the pace of change, but digital transformation is a critical step towards accessing the efficiencies offered by automation and AI. A common complaint for those working in tech roles has been that they are stuck on outdated proprietary custom technology, which slows the pace of change and creates an environment closed off to new ways of working.

There's no doubt that this area can benefit from an injection of innovation and adopting the relentless customer focus of the private sector. The vast, sprawling nature of government IT projects makes it notorious for overspending and delays. However, there is an alternative approach to the wholesale replacement of massive IT systems.

Sim Feng-Ji, deputy secretary of the country's Smart Nation and Digital Government Office, in Singapore, advocates smaller changes.

The civil service in Singapore first launched a wide range of programmes to improve the workforce's understanding of AI, raise skill levels, and encourage people to experiment. These included training, online newsletters, workshops, community-building activities, and creating a digital test environment.

Digital leaders then sought use cases that were "relatively low-risk, but quite easy to adopt", such as search functions to guide citizens to the right public services and transcription software to aid civil service note-taking.

More than 500 such projects are now up and running.

Responding to a question put to panellists by GGF at the event, Daljit Rehal, chief digital and information officer of His Majesty's Revenue and Customs (HMRC), said government needed to absorb new skills from fresh starters, rather than demand skills it already uses. He said that until recently, departments expected computer science graduates to complete a three-month training course to be able to code in a script compatible with the UK government's proprietary Oracle system.

"We've been guilty of ignoring what they've brought with them," Rehal said.

"What I would say to a young graduate is: 'I want you to change me and my organisation by using what you've learned. If you've learned to code in Python... show me and the rest of my team what we've been missing out on'.

Source: Sim Feng-Ji, Deputy Secretary for Smart Nation and Digital Government in Singapore

Conclusion

There is no shying away from the real challenges that face public sector organisations. The combination of staffing shortages, low morale, and pay squeezed by inflation has created unfavourable conditions for recruitment and retention. However, there are opportunities to move the dial.

Public sector organisations boast a mission and purpose that few organisations can compete with. While public sector pay often lags behind the private sector, there are other benefits to promote which go a considerable way to help to secure and retain talent. Clearly articulating and promoting these opportunities and benefits to potential candidates, alongside strengthening a culture of recognition and change creates an attractive and rewarding proposition for candidates and current employees.

Each central government department has a unique culture, personality, and social purpose. So, they should express and articulate these to the external talent market in ways that prospective candidates can understand, avoiding unfamiliar role titles and internal jargon that can create obstacles for external candidates.

Public service careers can be interesting, extremely rewarding and personally fulfilling. However, the right branding, messaging and communication channels must be adapted to engage and secure talent.

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