



STATE OF THE COUNTY WORKFORCE



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AGENDA

- Labor Market Conditions
- Employee Experience
- Impacts on Public Service Delivery
- County Workforce Strategy
- Recruitment and Retention Initiatives



Inflation has risen around the world, but the U.S. has seen one of the biggest increases

BY DREW DESILVER



WSJ Wall Street Journal

Goldman Sachs Rolls Out New Worker Benefits to Combat Employee Burnout

Goldman Sachs Rolls Out New Worker Benefits to Combat Employee Burnout
3 days ago

Fortune

The Great Raise is the solution to the Great Resignation

The so-called Great Resignation has rocked the U.S. labor market, but it's just
1 day ago



CNN

Vaccine mandate for some health care workers blocked in 10 states

3 days

WLOS

Pandemic fatigue is pushing many healthcare workers out of the field

(WLOS) — Pandemic fatigue, healthcare workers say it's real, leading many to leave the profes
1 hour ago

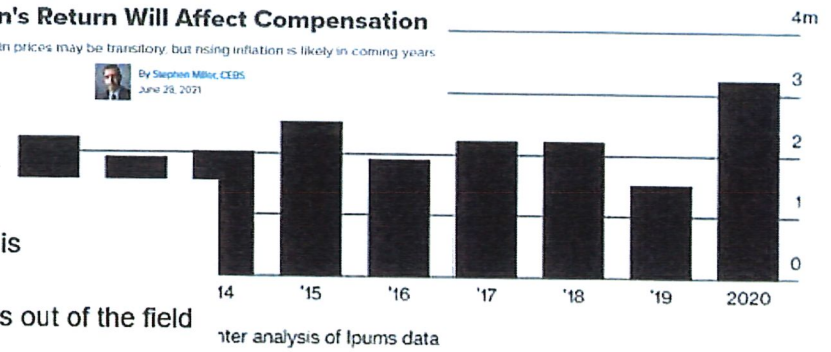
Annual Increase in Retired Baby Boomers in the U.S.

Inflation's Return Will Affect Compensation

A recent spike in prices may be transitory, but rising inflation is likely in coming years.



By Stephen Millor, CEO
June 23, 2021



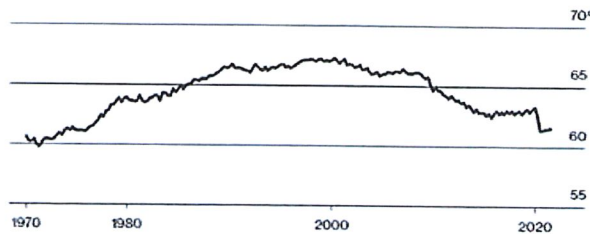
After analysis of Ipums data

Great Resignation: If workers want to lock in good jobs, we need unions

"Striketober" may be over but workers aren't stopping



U.S. Labor Force Participation Rate



Data: Bureau of Labor Statistics

Viewpoint: Does FFCRA Leave Exhaust FMLA Leave?

First responder PTSD costs rise for Minneapolis

The workers picking up the slack in the Great Resignation

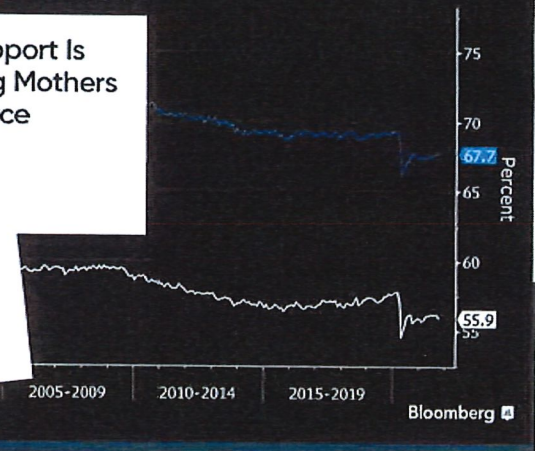
Workers who haven't quit amid the Great Resignation are covering for their former col
1 day ago

Women Leave the Workforce

■ U.S. participation rate, women (seasonally adjusted) ■ Participation rate, men

More Than Childcare Support Is Needed To Bring Working Mothers Fully Back to the Workforce

Companies need...



Parental Burnout Continues Its Toll in 2021, Fueling Large Talent Losses

4.8M current cases of parental burnout could be prevented

465 CD

BY EDWARD M. SMITH, OPINION CONTRIBUTOR — 10/27/21 12:01 PM EDT
THE VIEWS EXPRESSED BY CONTRIBUTORS ARE THEIR OWN AND NOT THE VIEW OF THE HILL

Bloomberg

LABOR MARKET CONDITIONS

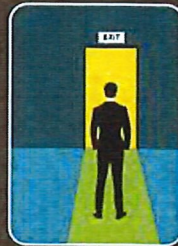
Pandemic Accelerates Workforce Trends Already in Motion – Will Not “Return to Normal”

LABOR & SKILLS SHORTAGE



- Baby Boomer retirements **and rising turnover are leaving** skill gaps in the existing workforce
- Millennials and Gen Z workers will represent 75% of the US workforce **by 2025**. Preferences for mobility, gig-work, **flexibility, work-life balance** will increase.
- 2.3 Million fewer women are in the workforce

GREAT RESIGNATION – JOB MARKET ON FIRE



- Low unemployment, and intense competition for talent
- 4.3% local unemployment rate
- SLO County’s workforce shrank by 7K people since February 2020
- +11.7% Turnover in last 12 months
- Organizations are trying everything: money, culture, and flexibility, to avoid business and service disruption

RISING INFLATION



- The Consumer Price Index for All Urban Consumers (CPI-U) is 6.2% over the last 12 months.
- Along with labor shortages, rising inflation is **driving higher compensation pressure** impacting Labor Relations, Compensation and Benefits programs

INCREASING REGULATION



- OSHA/Cal-OSHA, CARES & ARPA Unemployment and Healthcare changes, CFRA Expansion, Expanded Retention of Employment Records, Reduced Settlement Agreement Protections for Employers and more pending Federal changes from Build Back Better (Healthcare/Paid FMLA)
- Expansion of Unfair Labor Practice Qualifications
- Increasing regulation is not a new trend and is expected to continue



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LABOR MARKET CONDITIONS

What has worked is no longer working



INCREASING UNION MOMENTUM

- In October 2021, Roughly 25,000 workers walked off their jobs, demanding better pay and benefits, and improved workplace protections
- Strikes happen in waves, and may increase risk of unionization
- Power shift to employees in a job seekers market



HARD INSURANCE MARKETS

- Historically, very stable programs
- Rising insurance costs driven by wildfires, public sector cyber security risks, work comp claims increase, litigation settlements, and jury verdicts



POLITICAL POLARIZATION

- Political Fatigue at Work
- Clerk Recorder Recruitment
- Redistricting
- Masks & Vaccine Mandates
- Impacts relationships in the workplace and creates more sensitive issues for HR to manage



COVID-19, HEALTH & SAFETY

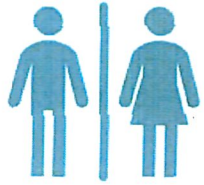
- COVID19 changed perspectives and requirements about safety in the workplace
- Stress, decreased focus and decreased productivity linked to safety
- Conducted 500K daily health checks



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EMPLOYEE DEMOGRAPHICS



41%
1,173

59%
1,704



43
Median Age
(47 in 2015)



34% Non-White
Ethnic Origin



6 Years
Median Time in Service
(8.98 years in 2014)



54% Tier 3
Pension Status



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HOW ARE EMPLOYEES DOING?

Key Issues Impacting Employees County and Nationwide

← ← ← ← ← ← Work Flexibility → → → → → →

Employee Burnout

- **Employee stress is increasing** with heavier workloads, kids at home, elder care, and a volatile political environment – all on top of the stress from COVID-19.
- Some employees may not realize they are experiencing burnout.
- **Healthcare worker fatigue** and **Safety PTSD** are rising.
- Fueling talent loss

#4 on Pulse Survey

Safety at Work

- Physical Safety
- Mask adherence
- Vaccines
- Psychological Safety
- Employees are more concerned with safety for themselves and their families than pre-pandemic and **expect their employers to play a greater role**
- **Safety is political**

#1 & 2 on Pulse Survey

Mental, Financial, Health & Wellness

- Increased levels of anxiety and depression **drive down** employee **productivity**
- Deferred Healthcare increases costs
- Financial health is a top concern among employees and a top contributor to poor mental health.
- **Flexibility needs are here to stay**

#1 & 2 on Pulse Survey

Childcare

- Disproportionately impacts **women**
- Providers are closing decreasing availability and delaying ability for mothers to return to work
- Cost are rising due to labor shortage
- 28% of respondents to the health benefits survey said they have a need for child or elder care. 264 EEs.

#3 & 6 on Pulse Survey

Equity & Inclusion

- The disparate impact of the pandemic is becoming increasingly clear and it's **resulting in very different needs amongst workers**. Low-wage, frontline workers and employees of color are much more likely to consider leaving at rates higher than pre-pandemic to seek higher-quality jobs, more security, safety and better pay.

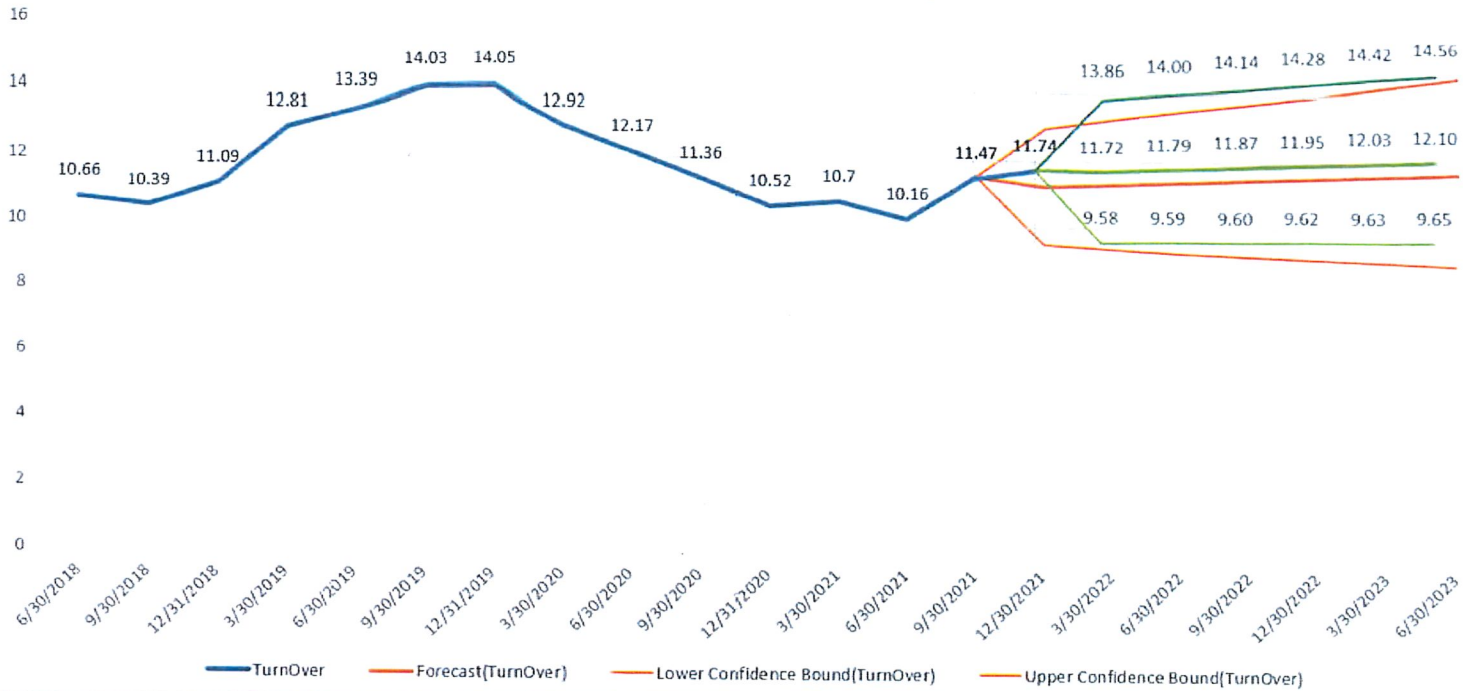
National Movement



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Turnover Projections From November 2021

Forecast Turn Over Based on Quarterly Actuals



- Orange line was forecast as of Sept 30, 2021
- Green line is revised forecast as of October 1 – December 7, 2021
- + 0.5% increase in turnover
- 11.74% Current Turnover in the last 12 months



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BREAKING DOWN THE COST OF TURNOVER

Hard Costs

- Replacement Costs
 - ✓ Advertising Recruitment Costs
 - ✓ Staff time for interviews
 - ✓ Pre-employment testing
 - ✓ Job Offer & Reference checking
 - ✓ New Employee Orientation
 - ✓ On The Job Training
- Separation Costs for Exit Interviews staff time
- Vacancy Costs for remaining staff to absorb extra work (over time)

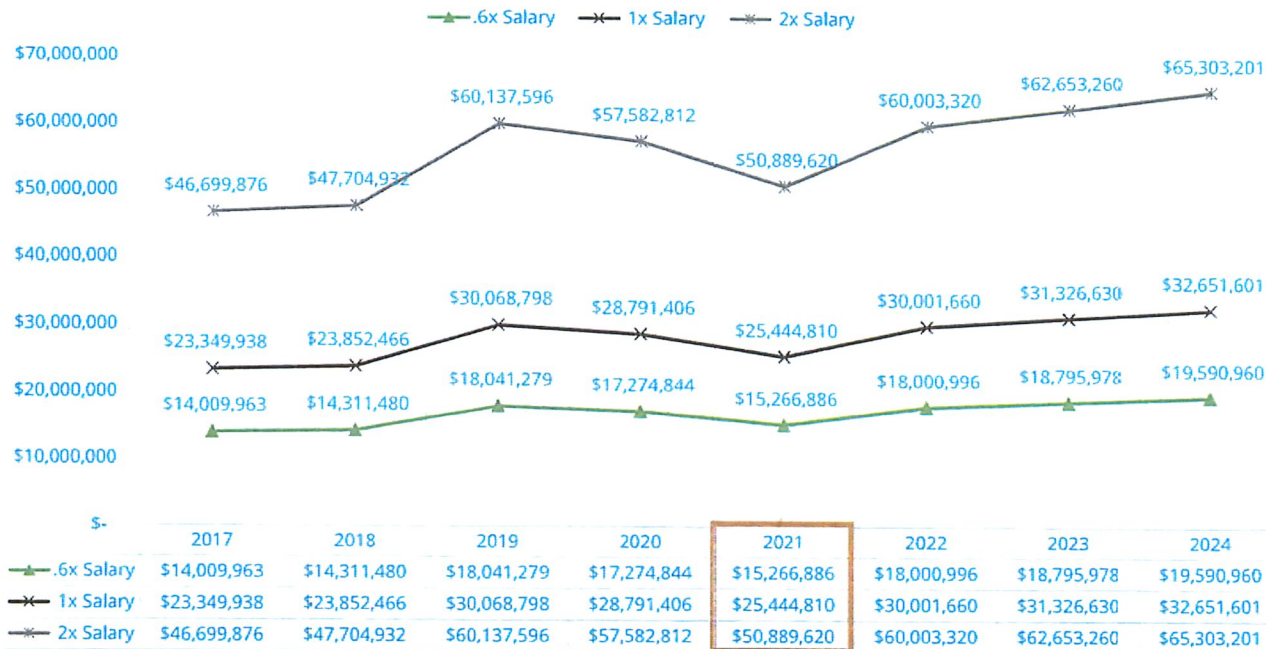
Soft Costs

- Separation Costs vary for high performing and low performing employees.
Productivity lost for:
 - ✓ Employee
 - ✓ co-workers
 - ✓ supervisor working to correct employee
- Vacancy Costs of Lost Productivity from vacant position
- Replacement Costs incur lost productivity:
 - ✓ new hire learning curve
 - ✓ co-workers mentoring and training new hire
 - ✓ supervisor due to additional coaching and oversight needed for new hire



COSTS OF TURNOVER CAN BE HIDDEN

COST OF TURN OVER AS A PERCENTAGE OF SALARY



- In 2021, the County has spent between \$15M - \$51M on turnover
- In 5 years, that is \$79M - \$263M in turnover costs
- Lower Limit Estimate of \$15M equals:
 - 4% of total payroll costs
 - 2.3% of general fund budget
 - 1.9% of total budget



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HIDDEN COSTS OF TURNOVER

Reducing your capability to accomplish Community Objectives

- Losing your best talent means losing:
 - your reliable winners,
 - your constant innovators,
 - your most effective problem solvers
 - Internally, breaking down team morale
- When it comes to rare talent, "**voluntary turnover**" is simply a nice way of saying, "**You just lost the future.**"
- Externally, it can mean lost customer relationships. Depending on the quality of the exit, it can **threaten your brand** or, at worst, **lead to litigation**
- 52% of voluntarily exiting employees say their manager or organization **could have done something to prevent them from leaving their job.**
- 51% of exiting employees say that in the three months before they left, **neither their manager nor any other leader spoke with them** about their job satisfaction or future with the organization.



Job Class Turnover % Cost of Turnover for 1 position Cost of Turnover for the year

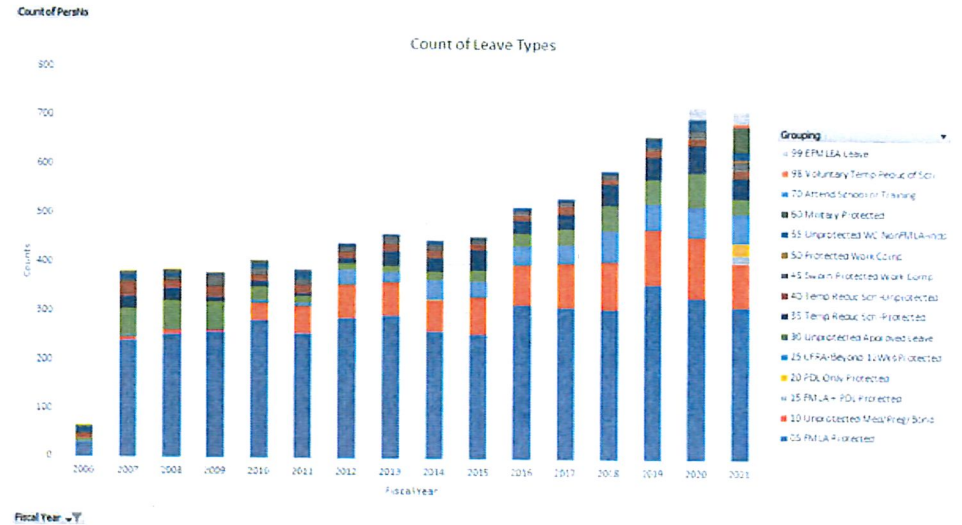
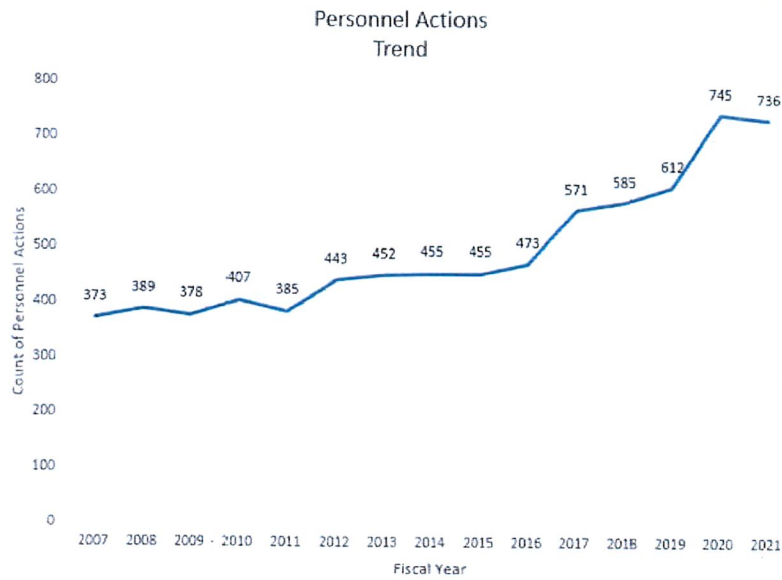
Job Class	Turnover %	Cost of Turnover for 1 position	Cost of Turnover for the year
PLANNER I OR II OR III	42.07	\$87,971.10	\$615,797.70
LICENSED PSYCH TECH/LV NURSE I OR II OR III	31.09	\$79,643.46	\$955,721.52
ENGINEER IV	25.43	\$136,066.08	\$544,264.32
CUSTODIAN	21.61	\$52,474.14	\$262,370.70
LEGAL CLERK	18.65	\$62,076.87	\$620,768.70
ACCOUNTING TECHNICIAN	16.49	\$67,960.80	\$339,804.00
B.H. SPECIALIST I OR II OR III	15.24	\$80,165.46	\$641,323.68
ENGINEER I OR II OR III	14.89	\$119,535.51	\$478,142.04
ADMIN ASST SERIES	14.82	\$57,295.53	\$1,489,683.78
SHERIFF'S CORRECTIONAL SGT	14.06	\$92,451.18	\$184,902.36
B.H. CLINICIAN I OR II OR III	13.89	\$96,947.40	\$1,260,316.20
HUMAN RESOURCES TECHNICIAN I OR II-CONFIDENTIAL	13.55	\$75,913.47	\$151,826.94
SERGEANT	13.28	\$130,750.08	\$261,500.16
SHERIFF'S CORRECTIONAL DEPUTY	12.51	\$92,451.18	\$1,294,316.52
CORRECTIONAL TECH I OR II OR III	12.35	\$67,724.16	\$203,172.48
ENVIR HEALTH SPECIALIST I OR II OR III	12.00	\$103,622.40	\$207,244.80
EMPLOYMENT/RESOURCE SPEC IV	11.75	\$78,793.95	\$236,381.85
SHERIFF'S DISPATCHER I OR II OR III	10.98	\$95,239.29	\$190,478.58
ADMIN SERVICES MANAGER	10.79	\$112,631.85	\$225,263.70



B.H. PROGRAM SUPERVISOR	10.70	\$106,651.35	\$213,302.70
AGRICULTURAL INSPECTOR/BIOLOGIST TRAINEE OR I OR I	9.86	\$90,051.00	\$180,102.00
ACCOUNTANT I OR II OR III	9.79	\$97,607.88	\$292,823.64
SYSTEMS ADMINISTRATOR I OR II OR III	9.58	\$115,910.19	\$231,820.38
NURSING SERIES - C. H. NURSE - SR P.H. NURSE	8.57	\$104,002.35	\$208,004.70
ACCOUNT CLERK OR SR	8.32	\$62,910.54	\$188,731.62
LIBRARY ASSOCIATE I OR II OR III	7.30	\$57,379.65	\$172,138.95
SHERIFF'S CADET/DEPUTY SHERIFF	7.25	\$96,413.58	\$771,308.64
SHERIFF'S SENIOR CORRECTIONAL DEPUTY	7.07	\$101,052.45	\$101,052.45
SHERIFF'S SENIOR DEPUTY	6.96	\$117,553.23	\$235,106.46
SOCIAL WORKER SUPERVISOR II	6.70	\$99,949.05	\$99,949.05
AUDITOR-ANALYST TRAINEE OR I OR II OR III	6.64	\$112,339.05	\$112,339.05
HEALTH INFORMATION TECH I OR II OR III	6.40	\$71,753.16	\$71,753.16
DEPUTY DISTRICT ATTORNEY I OR II OR III OR IV	6.31	\$167,166.87	\$334,333.74
SOCIAL WORKER AIDE I OR II OR III	6.23	\$52,282.02	\$52,282.02
PUBLIC WORKS WORKER I OR II OR III	6.21	\$71,763.00	\$143,526.00
EMPLOYMENT/RESOURCE SPEC I OR II OR III	6.08	\$69,666.93	\$557,335.44
JUVENILE SERVICES OFFICER I OR II OR III	6.06	\$85,537.65	\$171,075.30
ADMIN SERVICES OFFICER I OR II	5.90	\$84,696.45	\$254,089.35
PROGRAM MANAGER I OR II	5.04	\$96,814.50	\$193,629.00
APPRAISER TRAINEE OR I OR II OR III	4.94	\$93,389.49	\$93,389.49
DEPARTMENTAL AUTOMA SPEC I OR II OR III	4.14	\$111,533.7	\$111,533.70
DEPUTY PROBATION OFFICER I OR II	3.84	\$97,840.2	\$195,680.40
SOCIAL WORKER I OR II OR III OR IV	3.36	\$90,452.7	\$271,358.10
TOTAL		\$91,730.95	\$15,419,945.37



LEAVES OF ABSENCE ARE RISING

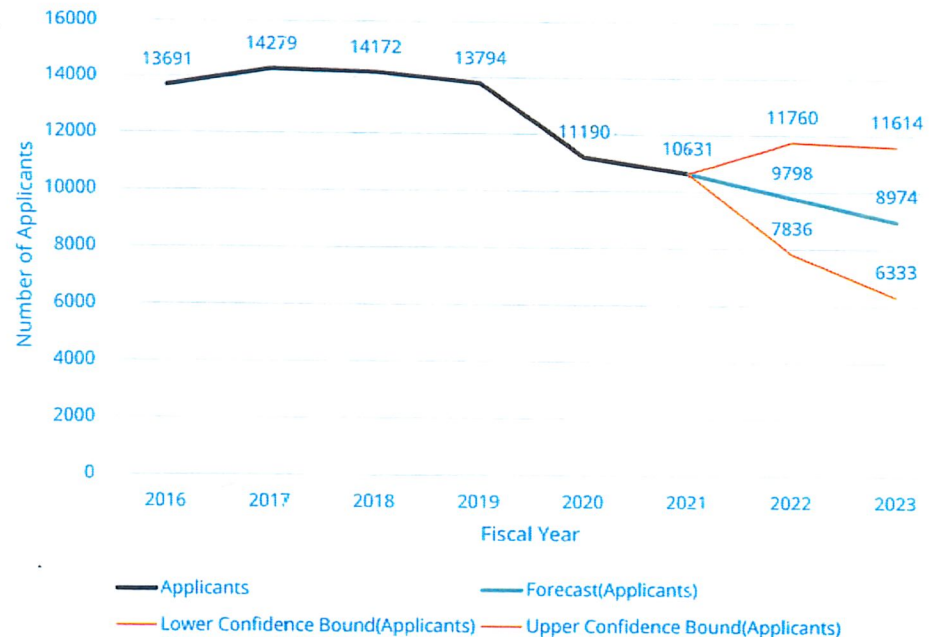


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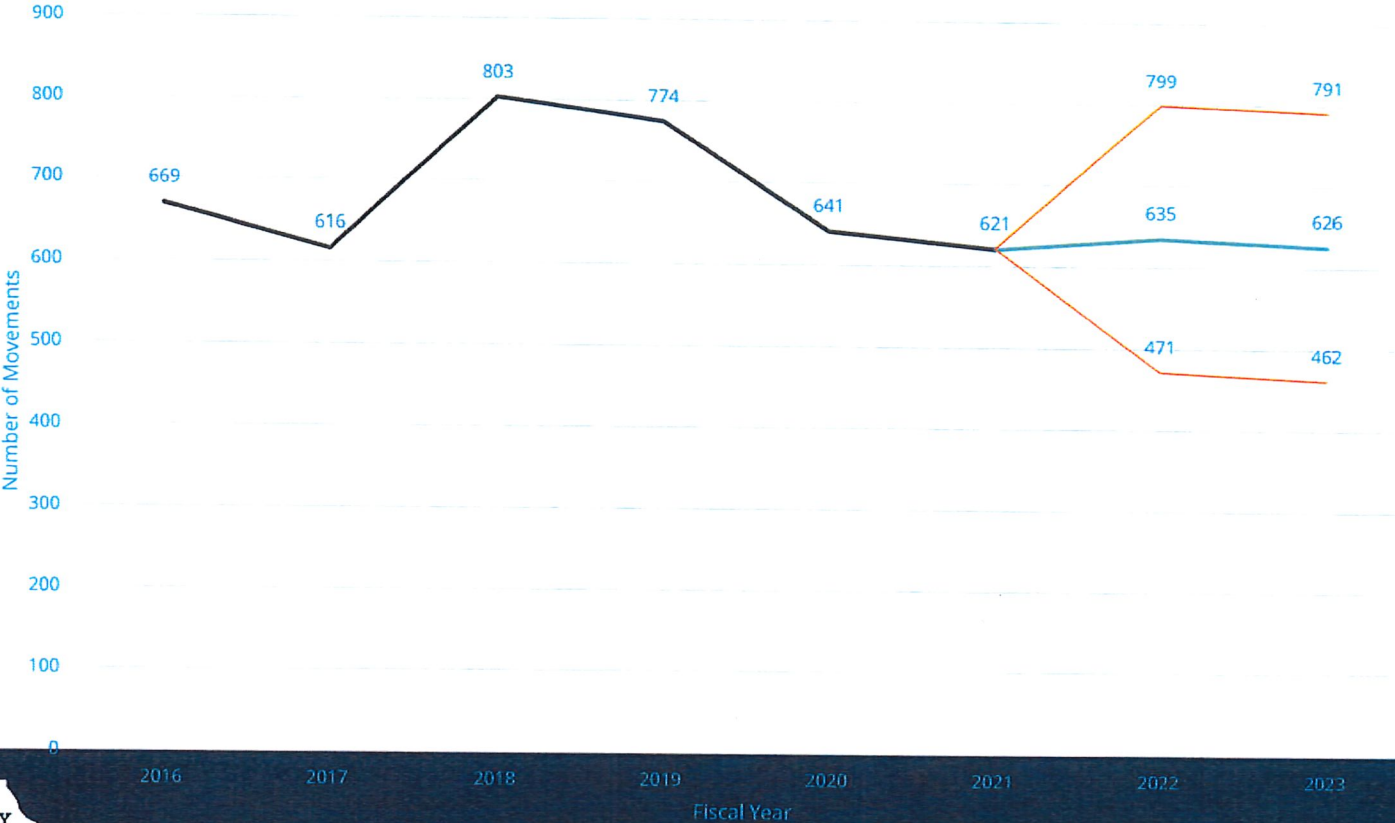
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NATIONAL TREND PUBLIC SECTOR APPLICANTS VS JOBS

- According to NeoGov, the number of applications per job has dropped 21% since 2015
- County application data supports this with a 22% reduction in applicants since 2016

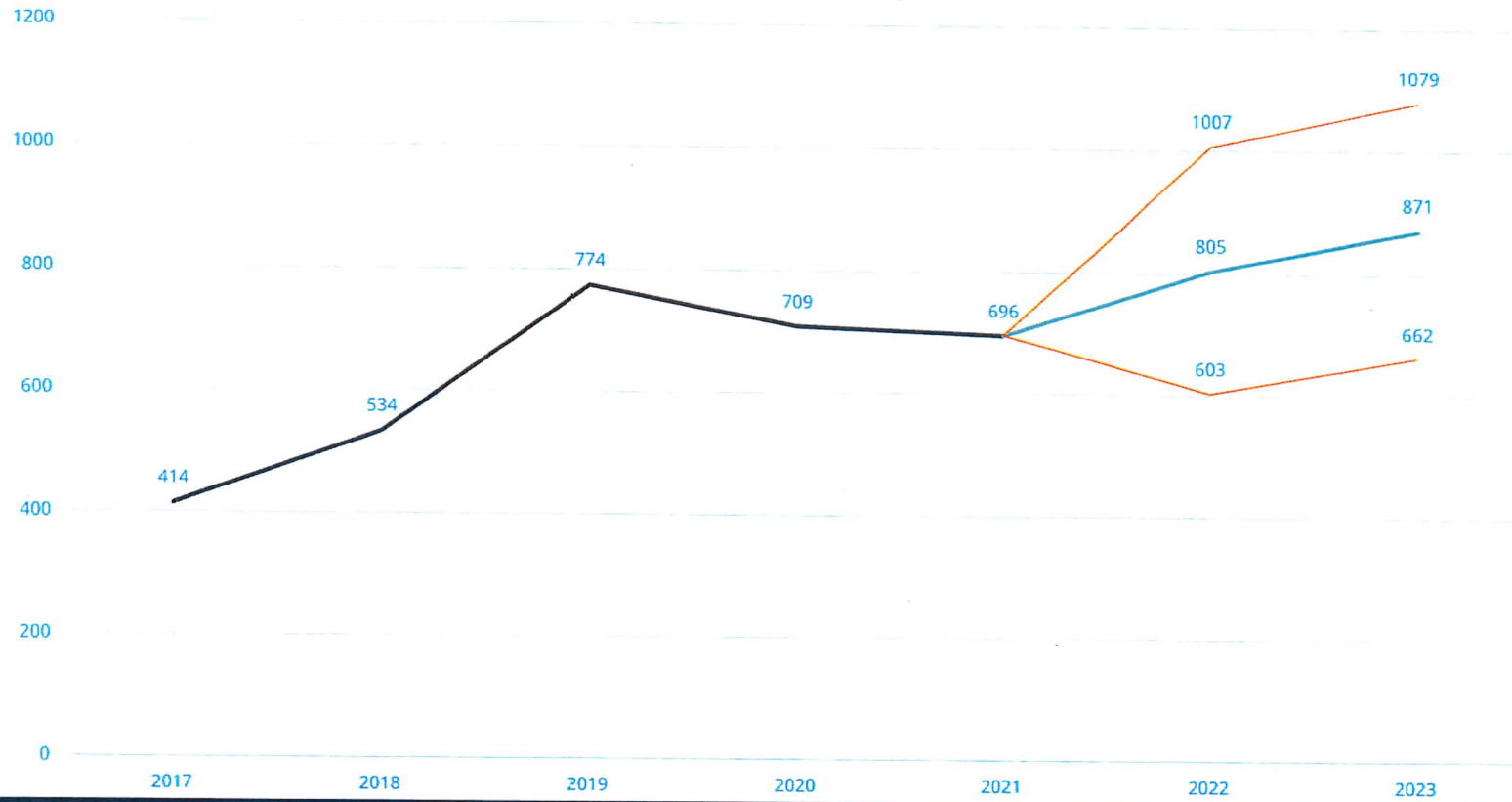


Forecast Movements



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Forecast Requisitions Created by Fiscal Year

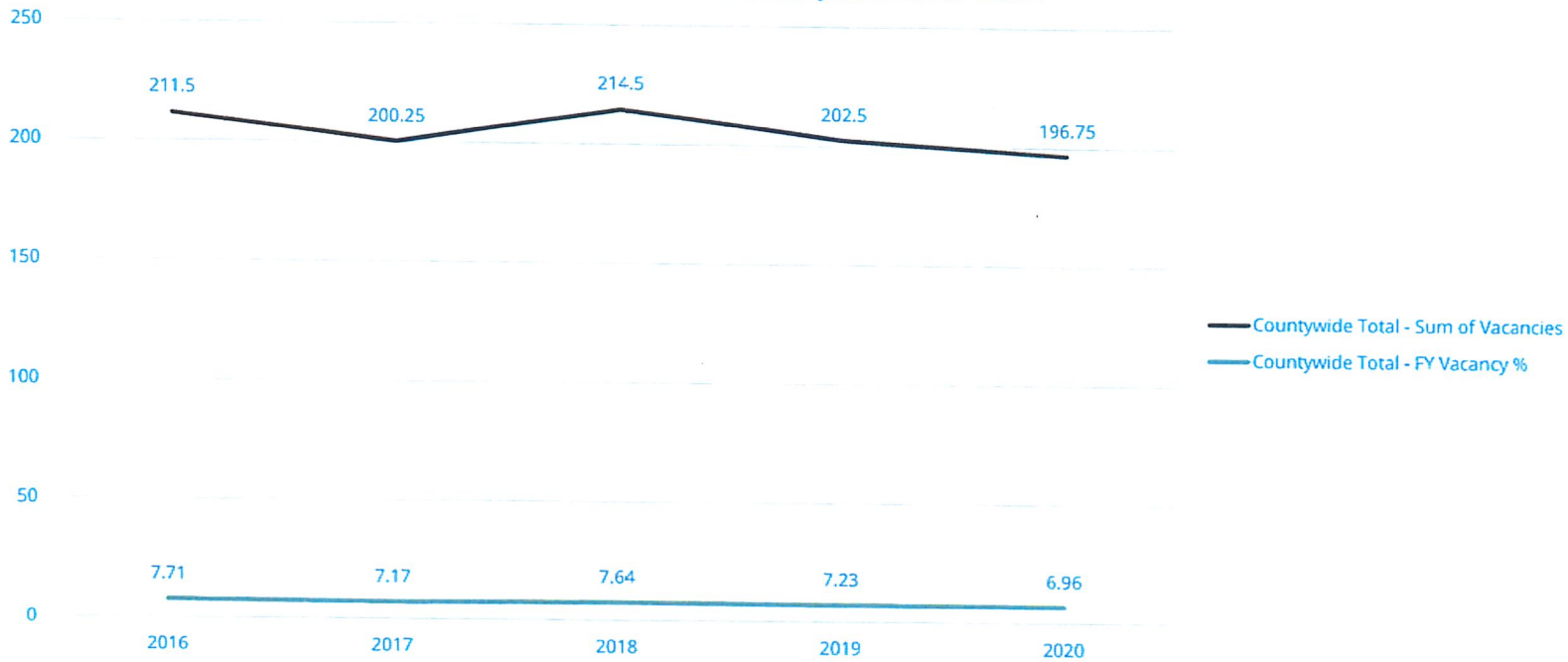


Values Forecast Lower Confidence Bound Upper Confidence Bound

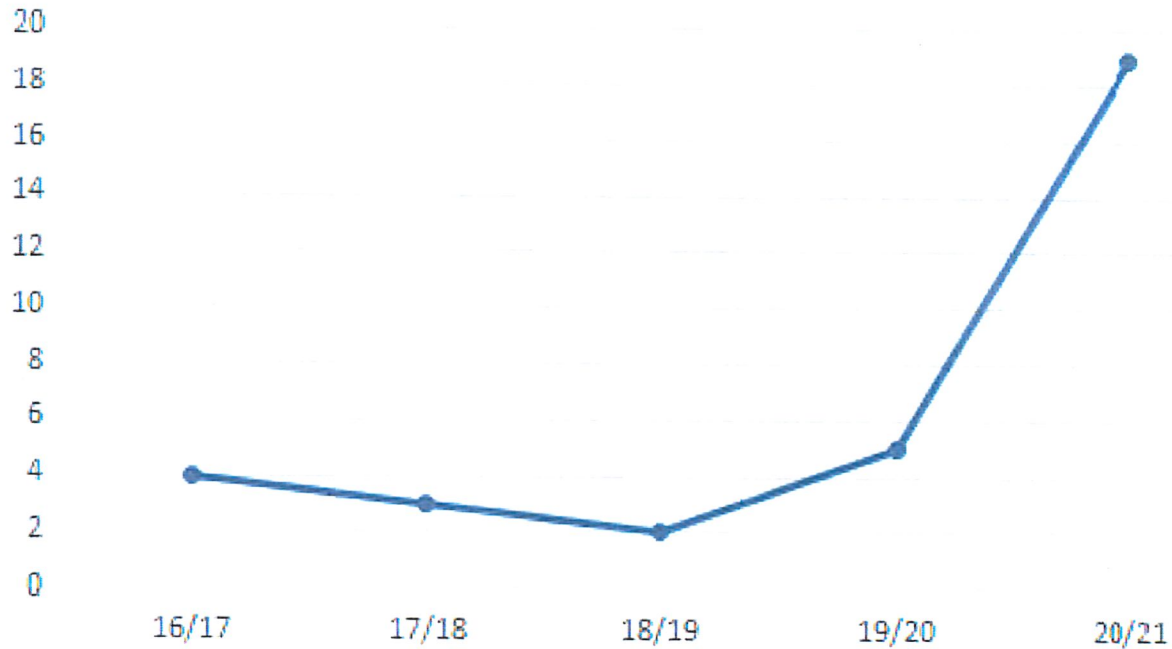


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% of Vacancies Countywide as of 12/31



Failed Recruitments



- There was nearly a 200% increase in failed recruitments in FY 20/21 over FY19/20
- We saw relatively low numbers of failed recruitments previously usually in typically hard to fill positions
- Failed recruitments in FY 20/21 were in a variety of classifications including Engineers, System Administrators, and Accounting Technicians



Cost of a Failed Recruitment

Activity	Hours	Average staff salary	Total Cost
HR Recruiting (Analyst)	10	\$ 44.12	\$ 441.20
HR Recruiting (Tech)	10	\$ 28.58	\$ 285.80
Department Screening (x2)	8	\$ 39.17	\$ 313.36
Panel Interviews (x3)	24	\$ 39.17	\$ 940.08
Internal Interviews	15	\$ 39.17	\$ 587.55
3 month loss in productivity	520	\$ 39.17	\$ 20,368.40
advertising dollars			\$ 500.00
		Total Cost	\$ 23,436.39



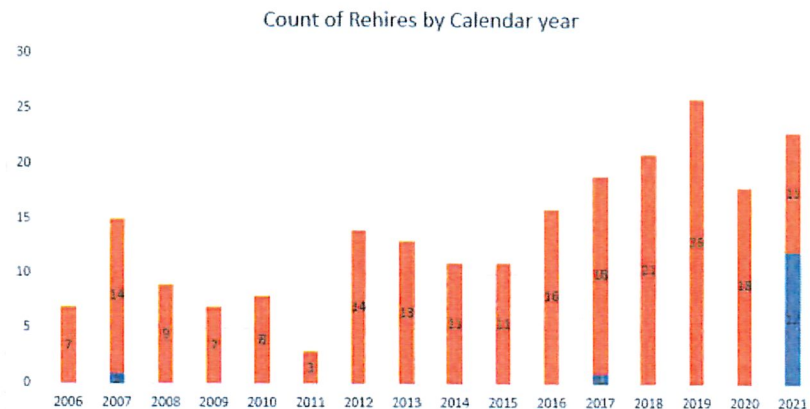
SEPARATION FEEDBACK

“Although the County of SLO offers great benefits, the **compensation is too low**. There are **a lot of responsibilities** that my position holds, but it is very **discouraging to be compensated lower than other companies** that are willing to pay more.”

No, I **loved this job and my coworkers**. I'm **sad to leave**, but unfortunately COL is **significantly unaffordable** for working class families. Thank you for the opportunity and experience. The leadership at ACTTC are so **supportive** especially during 2020 to present. Thank you!

I strongly believe that the County as an employer needs to think about **ways to encourage, empower, recognize and celebrate** the amazing people that work here. Many people are **underpaid for the work they do**, and it's not enough to just give them a paycheck and benefits. It would be great if the County made it a point to **publicly and internally recognize employees in a variety of ways**.

- Separated Employees do not return
 - Average 11 Rehires Per Year
 - Rehires Average 196 days of employment after rehire



SEPARATION FEEDBACK

// I've chosen to **retire earlier than I planned** because although I believe that for the most part **everyone is doing their best**, the level/**complexity of the work**, the **amount of work** needed, and the **barriers to solving problems** have **significantly increased in the last few years**. **Covid did not cause this**, it just added more challenges. Watching my team **struggle** to keep up with **work they wanted to do**, dealing with the **overwhelm**, and **not being able to get more staffing**, has really **broken me** at this point. After 20 years, I had to call it quits for my employment with the County. It is hard to see the **negative impact of the resource neglect on** the team and the clients. There's simply **far, far, far too much work to do for the time we have** to do it in. I'm also noticing that we are having **more problems staffing up**, and **new staff don't last as long in the roles**--I believe this is a **combination of resource/workload issues** and the **reduction of benefits available** to new employees (retirement and medical). **I believe in the mission**, and I **planned to stay longer**, but I just can't do it anymore. I have to admit that I am angry about that, and although I'm **extremely proud** of my **20 years** with the County, I'm **disappointed** to see the lack of growth in core services. If anyone wanted to ask me more about that, I'd be open to sharing more on this. Good luck to all!

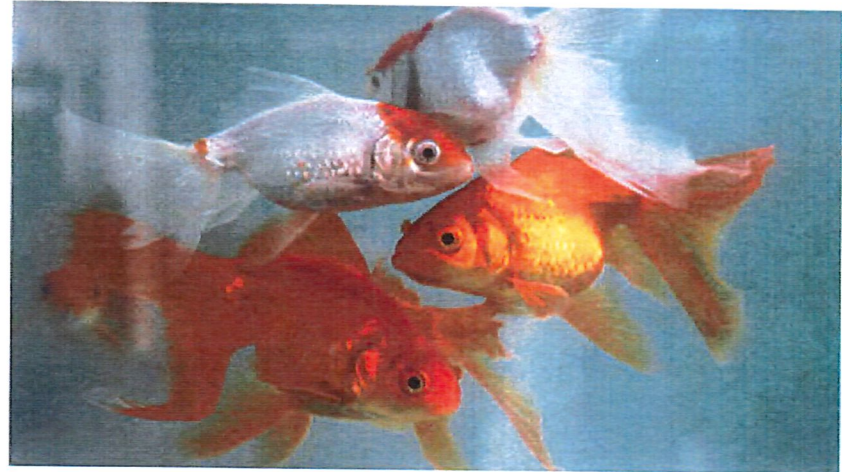
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COMPETITION FOR TALENT IS INCREASING

JOB SEEKERS HAVE MORE CHOICES FOR EMPLOYERS THAN EVER BEFORE

- Traditionally, the County has been an employer of choice for local workers
- Telework has expanded options for employment beyond our geographic area
- Active recruitment and employee development is required



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NEGATIVE IMPACT TO PUBLIC SERVICE DELIVERY

- External market conditions and Employee Experiences impact the County's ability to deliver services to the Community
- Current Trends:
 - Applicant decline
 - Turnover is returning to pre-pandemic levels
 - Rising insurance costs across all lines of insurance coverage
 - Employee burnout and wellness is impacting productivity levels
 - Presenteeism
 - Absenteeism
- Managers and supervisors are less experienced (6-year average TIS)
- Increasing urgent requests



Other Recruitment and Retention Ideas

- Signing bonuses
- Retention bonuses
- Referral Bonuses
- Pay at any step ordinance change
- Bilingual – increase benefit and incentivize

