**State of Delaware
Office of Management and Budget
Human Resource Management**

A Summary of the

State of Delaware Workforce for Fiscal Year 2005

May 2006

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OVERVIEW

Workforce planning is an effort to coordinate human resource management programs so that they support the strategic goals of State of Delaware agencies. Programs such as recruitment, job evaluation, compensation management, performance management, and training and development are all components of a successful workforce planning effort that, when done correctly, will enable the State to ensure greater efficiency and accountability among its workforce.

The focus of workforce planning is on current staffing issues and anticipated future staffing needs. The process involves assessing the current workforce in terms of whether or not its size is adequate, whether it is deployed effectively, and whether employees' skills or *competencies* support high performance.

The State of Delaware, Office of Management & Budget (OMB) Human Resource Management (HRM), established a statewide Workforce Planning & Performance Measurement office in 2005 to assist State agencies in meeting the increasing challenges of attracting and retaining a workforce that provides quality and cost-effective services to Delaware residents. With approximately 30% of classified (Merit) employees eligible to retire within 5 years, and another expected wave of Baby-Boomer retirements to follow 5 years after that, many agencies will be confronted with a mass exodus of critical talent.

Four big challenges facing State agencies are: reevaluating what work we do and how we do it; creating a recruitment and retention strategy that attracts and retains the right talent; developing our future leaders; and, protecting ourselves against the impending loss of institutional knowledge. Therefore, it is essential for agencies to address workforce planning now and to begin building a talent pool through training and development, *a Succession Plan*, that can continue to manage and enhance state government.

This report was prepared to summarize the State of Delaware's current workforce as of June 30, 2005. The report focuses on classified employees, those subject to the State Merit Rules, and the demographics in this report – a statistical snapshot --illustrate where we are now. Efforts to date have been aimed primarily at increasing management's awareness of the need for workforce planning. The level of attention given to workforce planning will determine how successfully agencies will meet their goals and objectives. Responding to staffing challenges now will enable agencies to look toward the future and plan appropriately to meet its service obligations to Delaware residents.

State of Delaware Workforce Characteristics

Delaware state government employs approximately 17,000 employees in the Executive Branch. This number represents many categories of employees (Merit, casual/seasonal, Commission & Board Members, Appointed/Exempt, and Elected Officials) working in all State agencies, including Delaware State Police, Delaware Economic Development Office, and the Department of Technology & Information. There are 11,781 full-time "classified" or "Merit" employees and an additional 5,610 employees in part-time, temporary, exempt, or "unclassified" positions. This report focuses on the demographics of only full-time classified employees, hereinafter referred to as "State employees."

Executive Branch Employee Categories

Category	Count
Merit	11781
Casual/Seasonal	3258
Exempt	1124
DSP	778
Board Members	353
Elected Officials	6
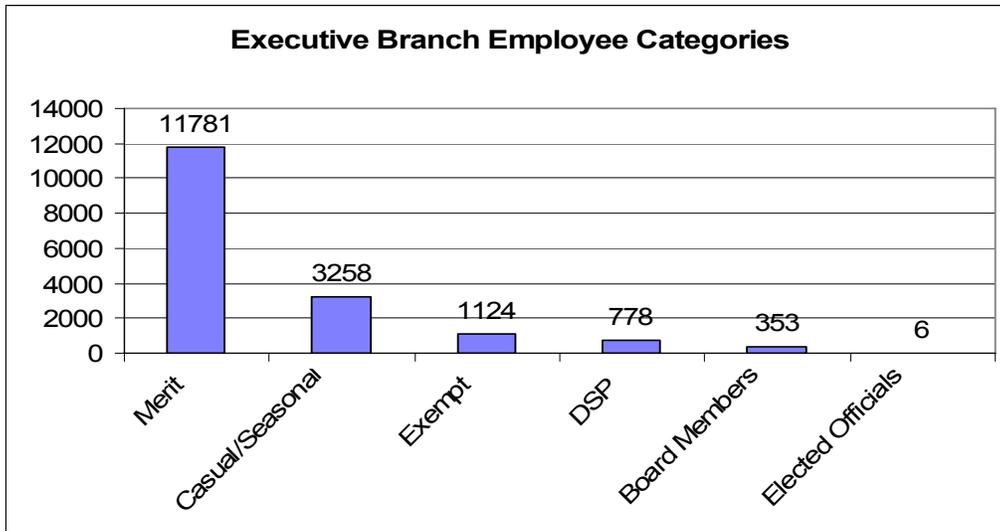
The composition of State employees generally mirrors that of Delaware's civilian labor force, with women having the higher labor force participation rate in State government. The average State employee is 45 years old, makes an annual salary of $35,844.00 and has been with his or her current agency for 11.2 years.

Approximately 34% of the total classified workforce has five or less years of service. Another 30% has 16 or more years of service.

The majority of State employees are female and work in professional positions.

Employees by Occupation (per EEO - 4 categories)

Occupation	Count
Para Professional	840
Skilled Craft	884
Technicians	1012
Service Maintenance	1146
Officials & Administrators	1352
Protective Services	2392
Office & Clerical	2587
Professionals	4674

Classified Employees by Gender

Male, 5254, 45%

Female, 6539, 55%
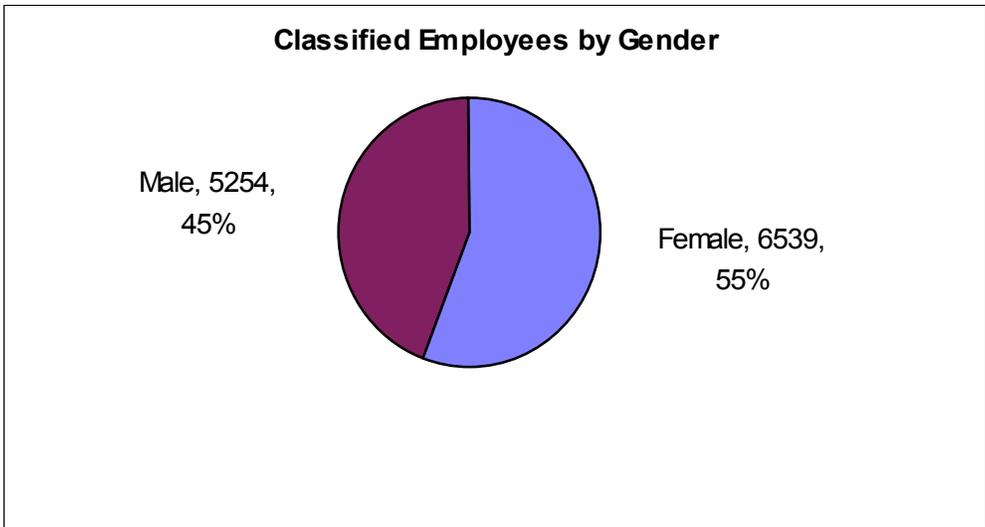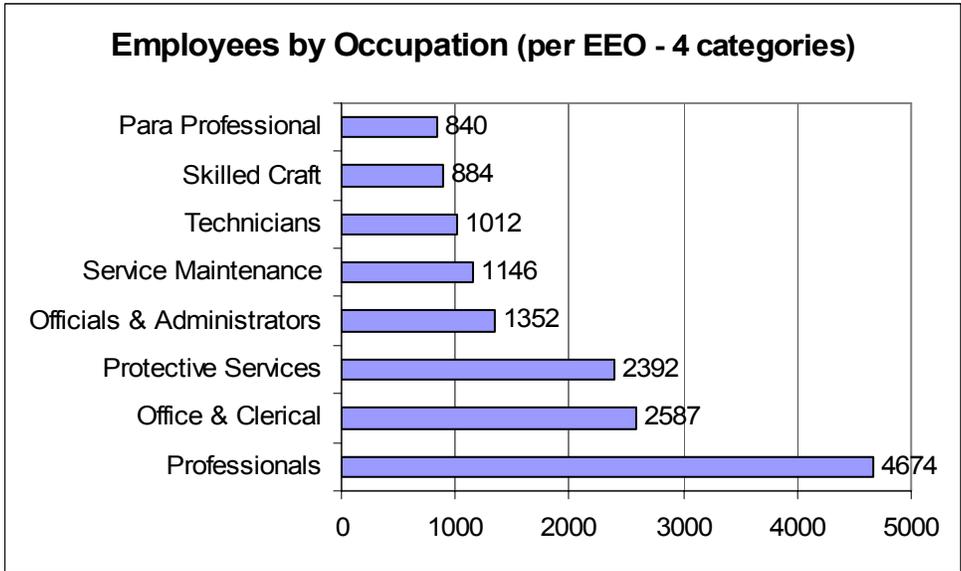
The good news about these statistics is that many current State employees possess a high level of skill and experience and a strong commitment to providing effective services to the public. Of course as retirements increase, these employees will be difficult to replace in the future.

Compensation

Classified Employees by Pay Grade

# of Employees vs *Pay Grade*
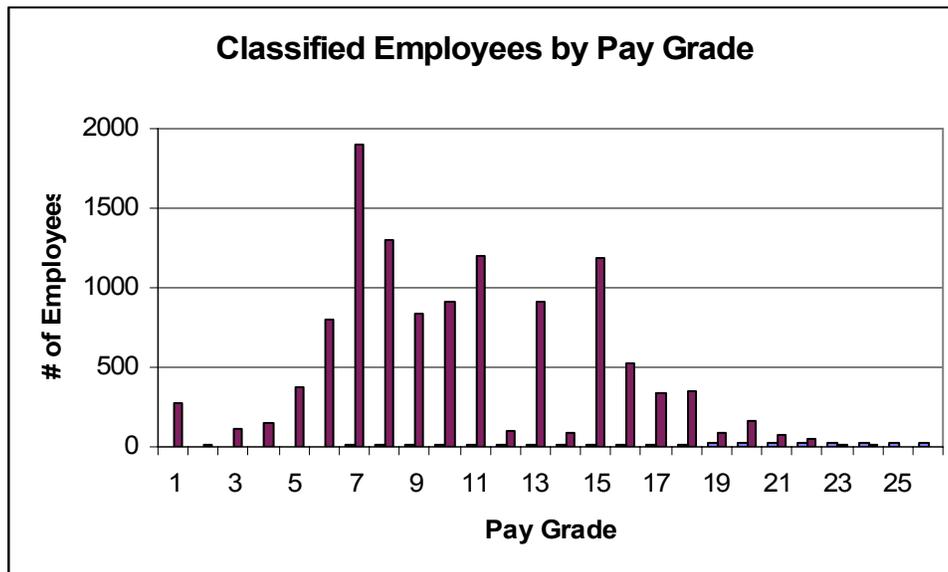
The average base salary for State employees in 2005 was $35,844. The average fringe benefit cost per State employee was $13,022. [It is significant to note the fringe benefit cost as the benefits available to State employees are a source of competitive advantage compared to the benefits provided by many other employers throughout the state.]

State employees' salaries are determined by position pay grade. Each position is classified within a 26 grade pay system for those full-time employees working either a 37.5 or a 40-hour workweek. [See Appendix A for 2005 Pay Tables]

As illustrated in the graph above, the highest number of employees are classified within pay grade 7, which accounts for 1,906 employees, and includes occupations such as, Correctional Officer, Administrative Specialist I, Certified Nursing Assistant, Youth Rehabilitation Counselor I, and Motor Vehicle Special II.

The second highest number of employees,1,300, are in pay grade 8 and include such positions as Administrative Specialist II, Physical Plant Maintenance Trades Mechanic II, Conservation Technician III, Accounting Specialist, Licensed Practical Nurse I, and Social Service Specialist II.

There are 1,198 employees in pay grade 11, which has the third highest number of State employees. Positions such as Senior Social Worker/Case Manager, Psychiatric Social Worker II, Correctional Lieutenant, Child Support Specialist II, and Senior Accountant are within the pay grade.

The fourth largest number of employees are in pay grade 15 positions. Representatives of occupations at pay grade 15 include Human Resources

Specialist III, Tax Auditor II, Telecommunications Network Technician III, Registered Nurse III, Analytical Chemist III, and Correctional Captain.

The graph below shows the top ten job classifications having the greatest number of State employees.

Job Classes w/ Highest # Classified Employees

Job Class	Number
Correctional Officers	882
Certified Nursing Asst.	396
Equipment Operators	333
Sr. Social Wrkr/Case Mgr.	332
Admin. Specialist I	281
Registered Nurses	253
Engineer Technicians	246
Correctional Corporal	235
Admin. Specialist II	225
Active Treat. Facilitator	191
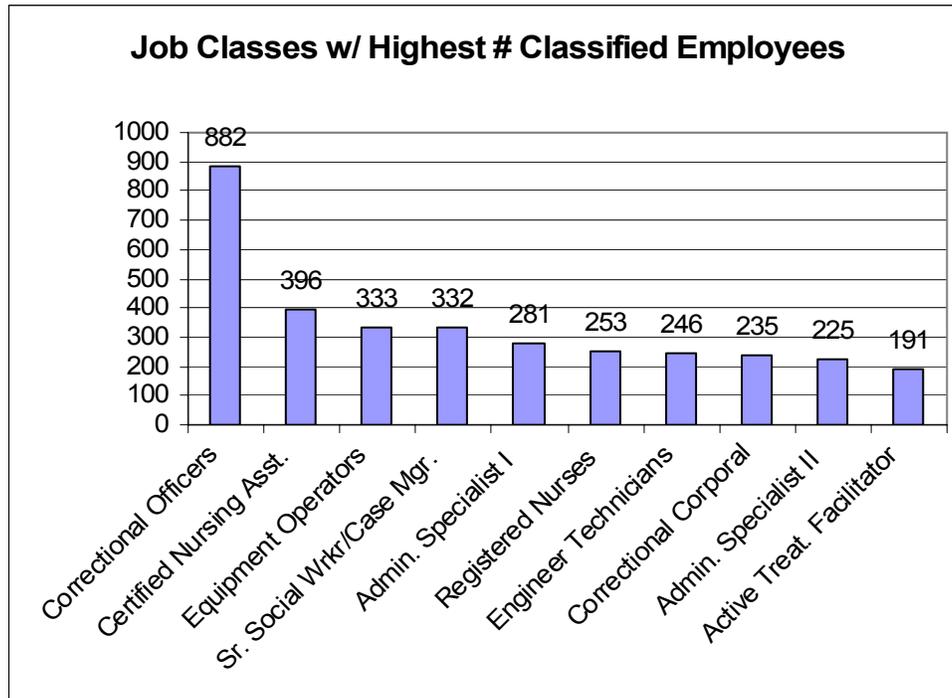
Note that there are more than double the number of Correctional Officers than the second largest classification, Certified Nursing Assistants.

Years of Service

The graph below summarizes the years in service of our current workforce. Approximately 34% of State employees have five or less years service; 21% have 6 to 10 years service; 16% have 11 to15 years service; 13% have 16 to 20 years service; 8% have 21 to 25 years service; 5% have 26 to 30 years service; 2% have 31 to 35 years service; 1% have between 36 and 40 years service; and less than 1% have 41 or more years service.

Classified Employees Years of Service

Years of Service	Count
41+ yrs	6
	68
31 - 35	260
	625
21 - 25	992
	1500
11 - 15	1839
	2513
0 - 5	3890

(Chart axis: 0, 1000, 2000, 3000, 4000, 5000)
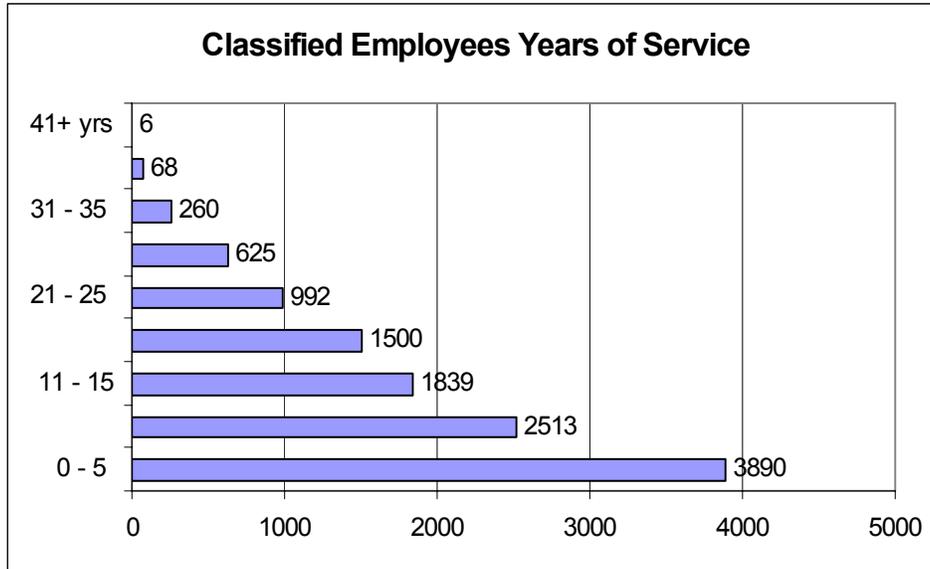
Retirement Eligibility

State employees are eligible to receive a service pension with *any* of the following combination of years of service and age:

- 30 years of credited service at any age.
- 15 years of credited service at age 60.
- 5 years of credited service at age 62.

Additionally, State employees are eligible for a reduced pension:

- Service - at least 25 years of credited service at any age. (Pension will be reduced by 0.2% for each month under 30 years of creditable service.)
- Age - at least 15 years of credited service at age 55.* (Pension will be reduced 0.2% for each month under age 60 when employee retires.)

Number of Employees (Current & W/in Five Years) Eligible for Retirement

# Employees w/ 29+ yrs service: **538**	# Employees w/ 27+ yrs service: **770**	# Employees w/ 25+ yrs service: **1169**
# Employees w/ 4+ yrs service & Age 61+: **562**	# Employees w/ 2+ yrs service & Age 59+: **926**	# Employees Age 57+: **1570**
# Employees w/ 14+ yrs service & Age 59+: **560**	# Employees w/ 12+ yrs service & Age 52+: **991**	# Employees w/ 10+ yrs service & Age 50: **2657**

Thus, taking into account the varying combinations of years of service and age for pension eligibility, the "Baby Boom" may become the "Retirement Boom" in Delaware as evidenced by the following statistics:

- 1,340 employees are eligible to retire within 1 year (11.4 %)
- 1,746 employees are eligible to retire within 3 years (14.9 %)
- 3,391 are eligible to retire within 5 years (28.9 %)

Baby Boomers begin turning 60 in 2006. As more and more Baby Boomers reach retirement age, the impact of their retirements—potential loss of institutional memory, leadership gaps—will continue to grow and, as State employees continue to age and be replaced by less experienced workers, the increasing complexity and continuity of service delivery may be particularly challenging.

Geographic Location

The highest percentage of State employees (44 percent) work in northern Delaware, New Castle County, almost three times the number of employees as in southern Delaware, Sussex County (16 percent). Central Delaware, Kent County, has the second largest percentage of state employees (40 percent)

Classified Employees by County Location

Sussex
16%

Kent
40%

New Castle
44%
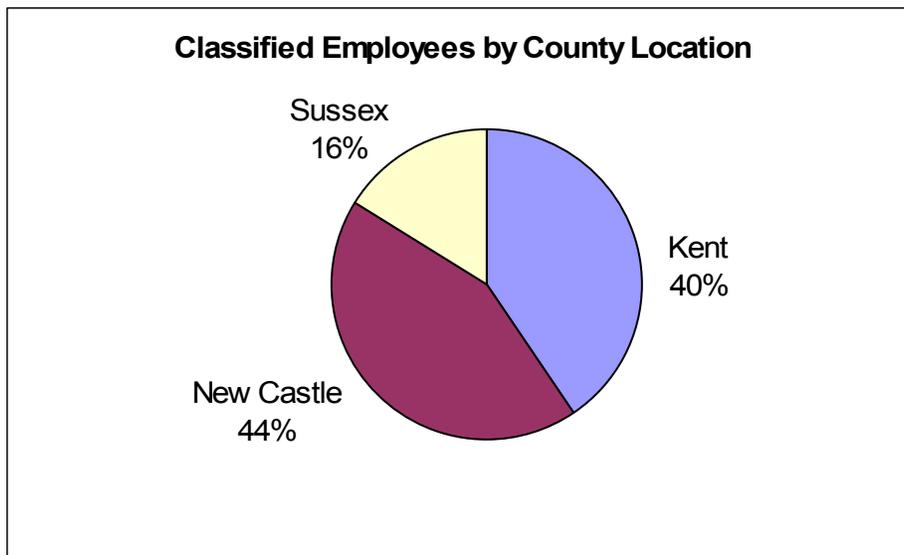
Race

Workforce data shows the following for State employees: 68% White, 28% Black, 2% Hispanic, 2% Asian and less than 1% each American Indian and "Other," in 2005. Within the State's diverse workforce some problems remain with

underrepresentation in specific occupations. The diversity issues are pressing because once the Baby Boom generation is replaced in the workforce, there will be fewer vacancies to work with for many years to come.

Workforce planning with targeted recruitment offers an opportunity to eliminate underrepresentation and expand the recruitment pool.

We expect these numbers to change somewhat as reflected in the changing demographics of the United States population. As the 2000 Census concluded, significantly higher proportions of women and minorities are expected to enter the labor market in many occupations within the next five years.

State Employees by Race

Race	Count
White	7973
Other	5
Hispanic	233
Black	3323
Asian	203
Am. Indian	55
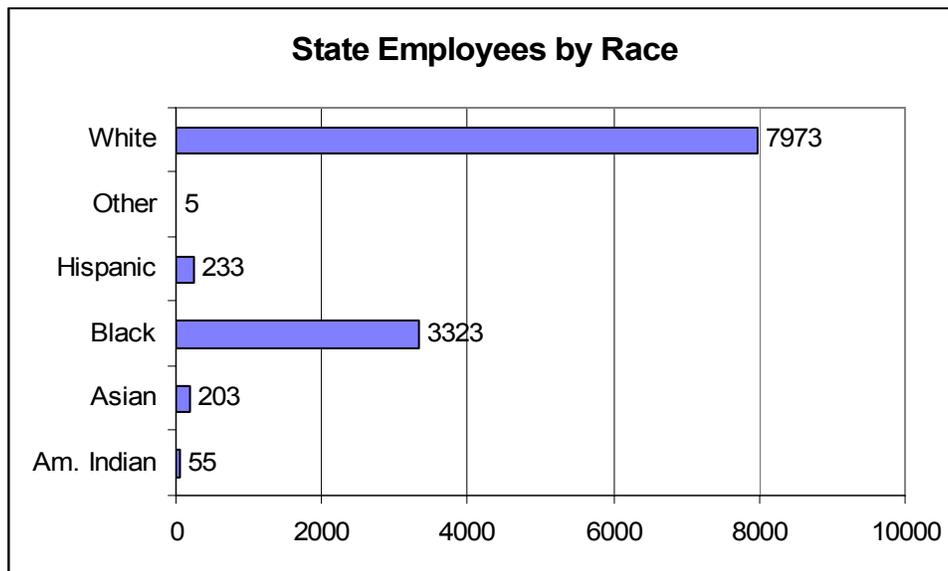
Union Membership

According to the Bureau of Labor Statistics, workers in the public sector had a union membership rate more than four times that of private-sector employees. The average U.S. union membership rate was 12.5 percent, in 2004. All states in the Middle Atlantic division reported union membership rates above the national average. In 2005, 5,292 State employees were union members, which is approximately 45% of those in the classified service. The majority of employees are American Federation of State, County and Municipal Employees (AFSCME) members. Other unions include the Correctional Officers Association of Delaware (COAD), Laborer's International Union (LIU), and United Food & Commercial Workers (UFCW) and Delaware State Education Association (DSEA).

The Departments of Health & Social Services and Correction had the highest union membership with 1,763 and 1,702 members, respectively. The Department

of Transportation had the third highest number, 817, followed by the Department of Services for Children, Youth and Their Families with 648. Department of Labor had 208 union members and Department of Finance, 116. The Department of Natural Resources and Environmental Control had 25 union members and the Departments of Safety and Homeland Security, State, and Elections each had less than ten members (DSHS number excludes DSP and Capitol Police). Among occupational groups, social services workers and protective service workers had the highest unionization rates. The number of union members in a state depends on both its employment level and its union membership rate.

Union Membership by Agency

Agency	# Members
DHSS	1763
Correction	1702
DOT	817
DSCYF	648
Labor	208
Finance	116
DNREC	25
State	6
DSHS	4
Elections	3
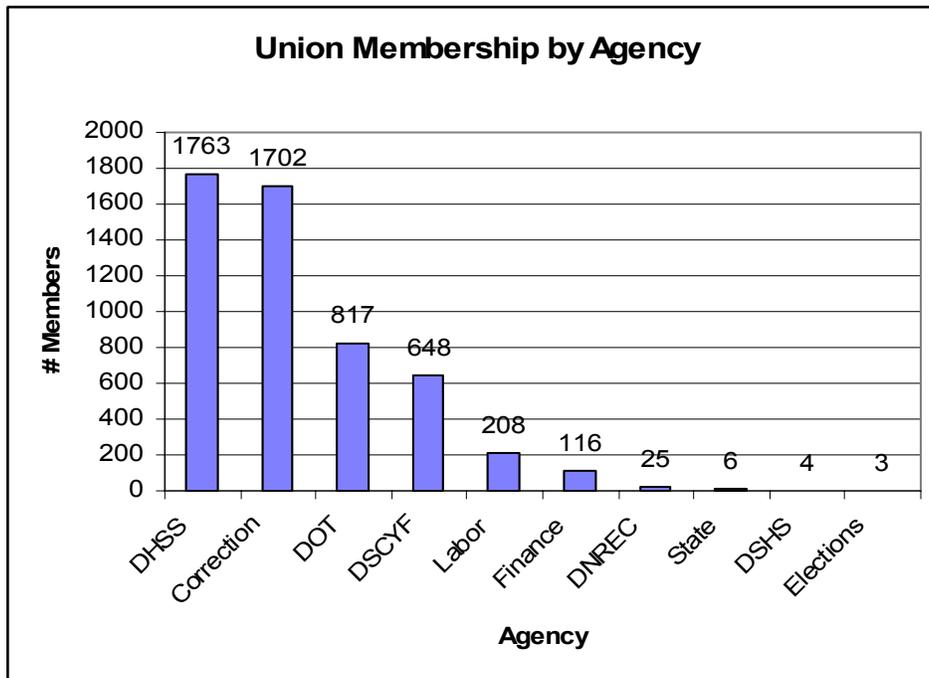
Turnover Rate

The turnover rate is the ratio of the number of non-temporary employees that separated from State service during a given period to the average number of employees (headcount) during the period.

The total number of State employee separations was 1,092. This included voluntary resignations, involuntary separations, retirements, and deaths.

Classified Employee Turnover

Deaths, 22, 2%

Retired, 352, 32%

Voluntary, 599, 55%
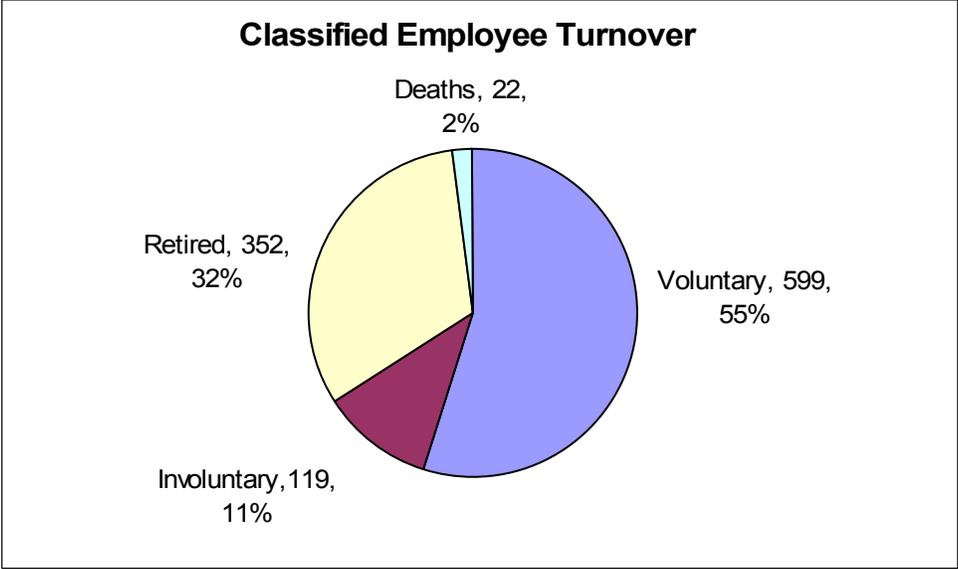
Involuntary, 119, 11%

The graph below shows the Departments, from highest to lowest, experiencing the most employee separations.

Separations by Department

Department	Separations
DHSS	417
DOC	230
DOT	153
DSCYF	107
DNREC	51
DOL	42
DOF	20
State	15
All Others	57
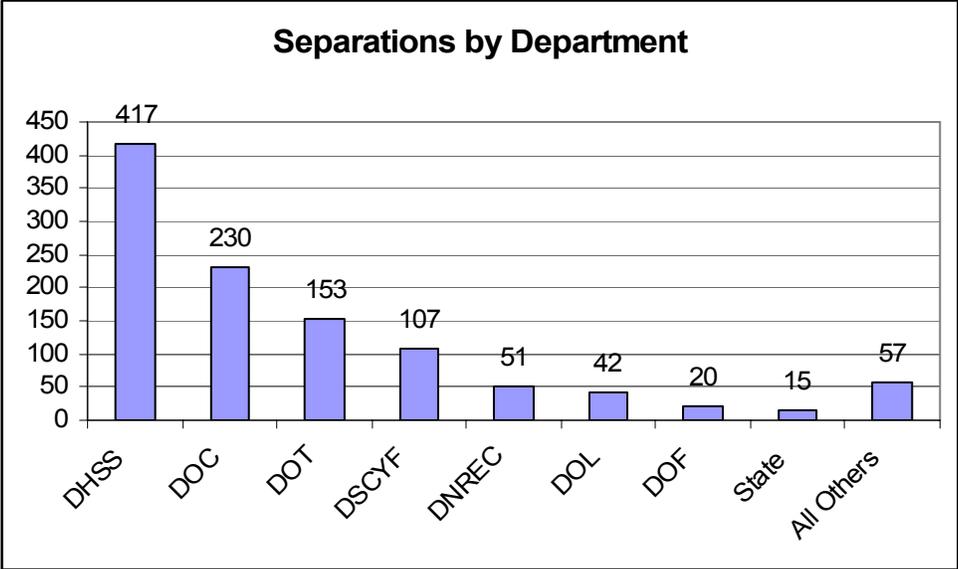
Specifically, there were 599 voluntary separations, 119 involuntary separations, 352 retirements, and 22 deaths during the year.

Excluding retirements, there were 516 separations among State employees having 5 or less years of service, which constitutes 47% of the total turnover rate and represents the largest number of employees separating from State service.

This number is significant in that almost half, or 255 employees, were recent hires (one year of service or less), which results in high recruitment costs and difficulty for State agencies to carry out their missions.

1 - 5 Year Turnover Rates

- 5 years, 67, 13%
- 4 years, 72, 14%
- 3 years, 75, 15%
- 2 years, 47, 9%
- 1 year, 64, 12%
- < 1 year, 191, 37%
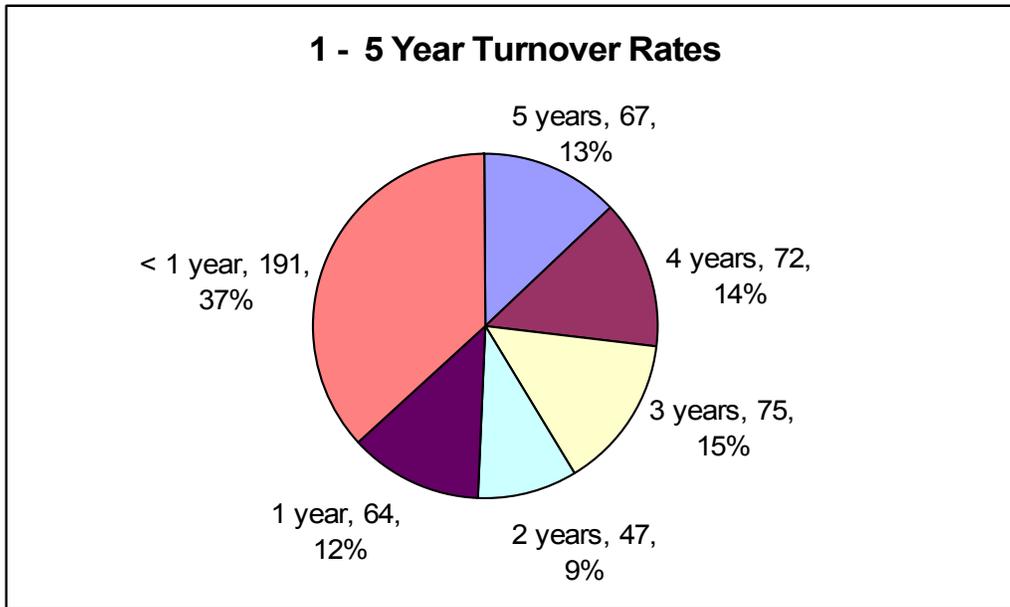
Turnover rates can vary significantly within specific agencies, job classes, or geographic locations. For example, the occupation with the highest number of separations was Correctional Officers, with 138 employees leaving State service. The second highest number was Certified Nursing Assistants, 65, followed by Administrative Specialists, 49, Equipment Operators, 40, and Registered Nurses, 39.*

*Of the 138 Correctional Officers separations, 110 employees voluntarily resigned; 13 employees were dismissed; and 14 retired (9 service and 5 disability). A large number, 35, of Certified Nursing Assistants also voluntarily left State service; 19 were dismissed; 4 were disability retirements; 3 service retirements; and 2 were dismissed due to unsuccessful background checks. For Administrative Specialist positions, the majority of employees retired, 25 (16 service and 5 disability); 21 voluntarily resigned; 3 were dismissed; 3 abandoned the job; and 1 employee was subsequently rehired. Most Equipment Operator separations were voluntarily resignations, 17; 8 were disability retirements; 7 service retirements; 5 dismissals; and 2 job abandonments. The number of Registered Nurses voluntarily resigning was 25; 6 were service retirements; 3 disability retirements; 3 dismissals; and 1 unfavorable background check.

Stressful working conditions within institutions and low pay may be associated with high turnover for corrections personnel and nurses. Job openings for these positions result from the need to replace workers who resign from State service.

According to the Bureau of Labor Statistics, employment shortages are also expected to be severe among management and skilled workers, so Delaware government can expect recruitment challenges to continue and expand to other occupations as we move further into the 21st Century.

State Agencies' Workforce Planning Efforts

Several State agencies are currently actively engaged in workforce planning activities, including the Departments of Transportation, Services for Children Youth and Their Families, Finance, Natural Resources and Environmental Control and the Office of Management & Budget. A number of strategies are currently being used to effectively transfer institution knowledge and memory, develop employees for future leadership positions, and implement targeted recruitment. Initiatives include expanded mentoring, job shadowing, cross-training, and career training and development opportunities.

To further prepare employees for future opportunities and leadership roles, HRM's Training and Organizational Development section recently launched several certificate programs. The Human Resources Certificate Program, Supervisory Development Certificate Program, and the Management Development Certificate Program provide a comprehensive, progressive series of developmental opportunities for employees to improve their skills and performance—all aimed at developing the next generation of leaders/managers.

As statewide workforce planning is increasingly emphasized, State agencies will be required to develop a Workforce Plan to include identifying "at- risk" positions, skill gaps, and skill surpluses. [A current workforce snapshot in Appendix B shows several State agency divisions with alarmingly high service rates.]

As retirements accelerate, staffing issues will be a top concern of State agencies. To meet the growing demand for a diverse and skilled workforce, attracting new *and* retaining current employees is critical to having the talent needed to serve the public.

KEY FACTS and FINDINGS

The changes in demographics—due to the only 40 million Generations X-ers behind the 70 million Baby Boomers—clearly points to the looming labor shortage crisis as the number of new entrants into the workforce is now declining each year. The number of available jobs in the USA is projected to increase by 22 million by 2010, yet the labor force is projected to increase by only 17 million, according to the Bureau of Labor Statistics.

The realities in state government nationwide are even more alarming. As *Governing Magazine* pointed out in 2005, "There is a personnel tornado on the horizon: In more than half the states, one in five employees will be retiring over the next five years." Thus, there will continue to be a shortage of talent nationwide and throughout Delaware as *all* employers continue to compete for the shrinking labor pool.

In Delaware government:

- The State's senior workforce is rapidly becoming eligible for retirement.
- The entry-level workforce has high turnover.
- A significant portion of the workforce (1/3) is inexperienced.

Given the State's inability to hire new employees on a timely basis at competitive salary levels in certain occupations, along with the potential for a massive wave of retirements within ten years, and coupled with a high turnover rate among new employees and labor market shortages, many occupations may be impacted and could diminish Delaware's service delivery capabilities. We have particular concerns in the areas of nursing and protective services, i.e., Registered Nurses and Correctional Officers.

As the Society for Human Resource Management (SHRM) recently stated, "Expect competition for qualified workers to intensify as the U.S. population ages, the economy gains steam and turnover soars."

Thus, the level of attention given to workforce planning will determine how successfully the State will meet its service obligations to Delaware residents.

The demographics in this report are just a beginning. There are self-service tools available to allow agencies to examine trends to look toward the future, plan ahead, and prevent surprises. Agencies can anticipate future staffing needs by assessing the number of employees approaching retirement, turnover rates, programs that are growing or diminishing in importance, and areas that are being affected by technology changes.

Plans for closing or avoiding skill gaps may include recruitment strategies; succession planning; and identifying learning resources and opportunities for retraining or cross training. As program service needs dictate and the labor markets changes occur, so the success of staffing strategies should be evaluated periodically and strategies revised as necessary.

Resources for Further Analysis

OMB provides several tools that can be helpful to state managers and human resources professionals. These tools provide workforce and statistical information and guidance. HRM encourages human resources professionals to access the following tools on a regular basis so their agencies can manage their workforce more efficiently and effectively.

Human Resource Management Website
(http://www.delawarepersonnel.com)
The State of Delaware Human Resource Management website was developed and is maintained by HRM and OMB Management Services. Internal and external customers can access the site and there is an abundance of information for State agencies, employees, and job seekers. The HRM section provides information on statewide human resource programs, policies, and procedures, as well as relevant human resources information.

Workforce Planning Guide
(http://www.delawarepersonnel.com/workforce/index.shtml)
Human Resource Management, Workforce Planning & Performance Measurement developed the Workforce Planning Guide to help agencies develop their workforce plans. The Guide outlines the importance of strategically anticipating workforce changes through workforce planning and offers basic planning steps and strategies. An effective workforce plan is an essential tool in identifying appropriate workload staffing levels and in justifying budget allocations or staffing reallocations so agencies can meet their strategic objectives.

PHRST
(https://phrstra.spo.state.de.us)
Payroll Human Resources Statewide Technology (PHRST) contains and houses data on State agency headcounts, terminations, and turnover rates. Data can be analyzed by a variety of variables, including individual and agency, job class, demographics, pay data, and turnover reason. Additionally, the system provides workforce termination, age, length of service, union membership, and salary data. Agencies can view data on-screen, or produce selected reports in analyzing workforce trends.

OBJECTIVE, SCOPE and METHODOLOGY

Objective
The objective of this report is to recognize and provide comprehensive statistical information on the State of Delaware workforce.

Scope
Statistical information for this report was provided for full-time classified employees during fiscal year 2005, July 1, 2004 – June 30, 2005. The Statewide Workforce Report does not include data for employees of institutions of public and higher education.

Methodology
Data about retirement projections, turnover assessments, and other analyses included in this report was gathered using PHRST data for Fiscal Year 2005. Agencies are able to conduct workforce analysis due, in large part, to PHRST, an integrated database which provides information enabling State agencies and HRM to make proactive human resource decisions based on detailed information. Other information presented in this report was obtained from material published by the U.S. Department of Labor, Bureau of Labor Statistics, U.S. Census Bureau, and Delaware Department of Labor. HRM Workforce Planning & Performance Measurement section compiled the report. Totals may not be 100 percent in selected graphs due to rounding. Additionally, records with missing values were excluded from selected graphs and may not match overall statewide headcounts. Differences, however, are minimal.

HRM welcomes your comments or questions regarding this report. Contact us at (302) 739-8331 or by e-mail to Katie.Horvath@state.de.us.

APPENDICES

Appendix A – 2005 State Employees' Pay Table

PAY GRADE	37.5 HOURS ANNUAL		
	80%	100%	120%
1	15,759.000	18,982.000	22,778.000
2	16,249.000	20,311.000	24,373.000
3	17,390.000	21,737.000	26,084.000
4	18,602.000	23,253.000	27,904.000
5	19,908.000	24,885.000	29,862.000
6	21,301.000	26,626.000	31,951.000
7	22,789.000	28,486.000	34,183.000
8	24,386.000	30,482.000	36,578.000
9	26,094.000	32,618.000	39,142.000
10	27,921.000	34,901.000	41,881.000
11	29,873.000	37,341.000	44,809.000
12	31,965.000	39,956.000	47,947.000
13	34,203.000	42,754.000	51,305.000
14	36,594.000	45,742.000	54,890.000
15	39,158.000	48,948.000	58,738.000
16	41,902.000	52,377.000	62,852.000
17	44,834.000	56,042.000	67,250.000
18	47,970.000	59,962.000	71,954.000
19	51,328.000	64,160.000	76,992.000
20	54,925.000	68,656.000	82,387.000
21	58,767.000	73,459.000	88,151.000
22	62,881.000	78,601.000	94,321.000
23	67,284.000	84,105.000	100,926.000
24	71,997.000	89,996.000	107,995.000
25	77,034.000	96,292.000	115,550.000
26	82,426.000	103,032.000	123,638.000

Appendix B – Divisions with Highest State Employee Service Rates

Agency Divisions w/ Highest Years Service
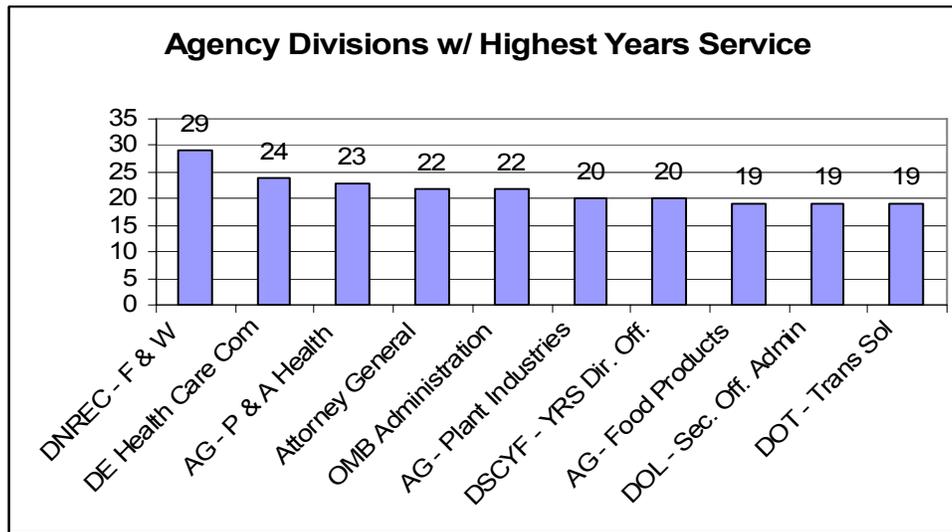
The graph above lists State agency divisions having very high years of service averages. Note that the Department of Agriculture has three divisions of employees averaging 19 or more years of service.

Appendix C – Glossary of Terms

Agency: any board, department, elected office or commission which receives an appropriation in accordance with 29 **Del. C.** Chapter 59.

Classified Service: all positions in the state service, except those which are specifically placed in the unclassified service by Delaware Code, as amended, or other sections of the statutes.

Fiscal Year: the time period from July 1 to June 30.

Length of Service: length of employment by the State of Delaware in Classified position(s) minus breaks in service.

Pay Grade: one of the horizontal pay ranges designated on the pay plan consisting of a series of percentage of midpoint columns identifying specific values.

PHRST: Payroll Human Resource Statewide Technology system implemented in 1997.

Position: a group of duties and responsibilities assigned or delegated by an appointing authority, requiring the services of an employee on a full-time basis or, in some cases, on a less than full-time basis.

State Employee: any person holding a position in the Classified Service.

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