



Making Informed Decisions:

An In-Depth Look at
2025's Top Public
Sector HR Trends

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Stefanie Tracey-Calash

Director of Product Marketing
NEOGOV



Reid Walsh

Chief Human Resource Officer
NEOGOV



Top Public Sector HR Trends of 2025

- Insight into the **trends facing government HR** in 2025
- Relevant **analysis and research** on top HR challenges
- **Resources and recommendations** for facing these challenges

Who We Surveyed

1,000+

government HR professionals representing hundreds of thousands of employees

Titles:

HR generalists, managers, directors, recruiters, and more

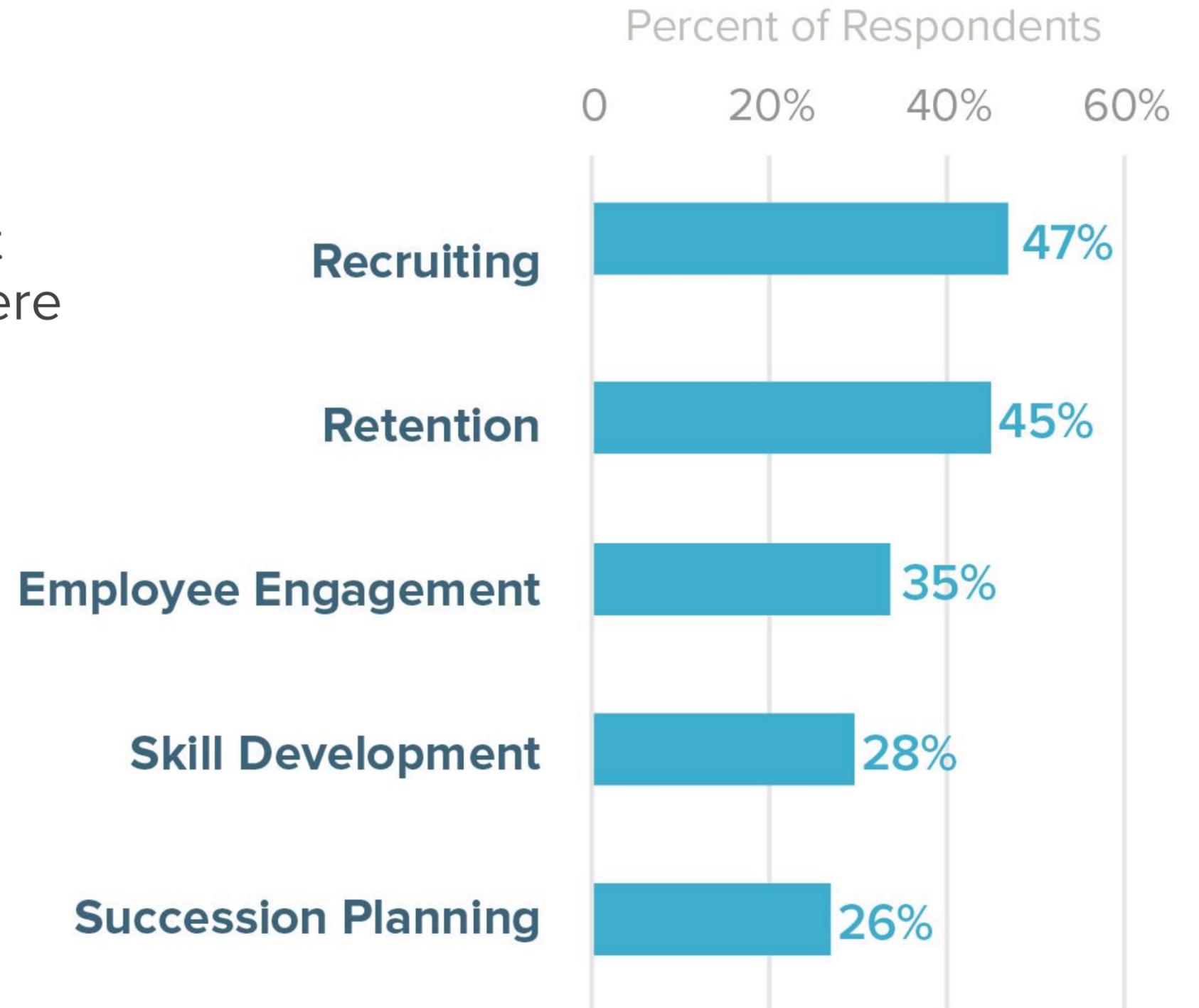
Types of agencies:

cities (30%), counties (24%), states (20%), and other local agencies (16%)



What We Found

Survey participants were asked to list their **top three priorities** for 2025. Here are the 5 most popular choices.



Trend #1:
Job Market Favors Public
Sector Agencies

A Changing Job Market

- For the first time since 2019, public sector job openings decreased while applications increased
- **62% of agencies struggle to find qualified candidates**
- Federal restructuring is expected to increase the availability of highly qualified candidates in the job market

Federal restructuring = new state recruitment opportunity



Preliminary Job Market Data

Amid changes at the federal level

Overall, State and Local agencies **received 15% more applications-per-job** in the 40 days post-inauguration

Application-per-job increases by state:

- Maryland - 29%
- Massachusetts - 35%
- Virginia - 26%

How State Agencies Can Attract Federal Talent

1. Build a Strong Employer Brand
2. Offer Security and Stability
3. Utilize the Best Platforms
4. Let Data Drive Your Recruitment Strategy
5. Adopt and Integrate AI to Streamline HR Processes





Retention & Compensation Strategies

- **69% of employees leave for higher pay**
- Only 40% of agencies plan to offer competitive salaries, but many are offering:
 - Sign-on bonuses
 - Tuition reimbursement
 - Retention bonuses

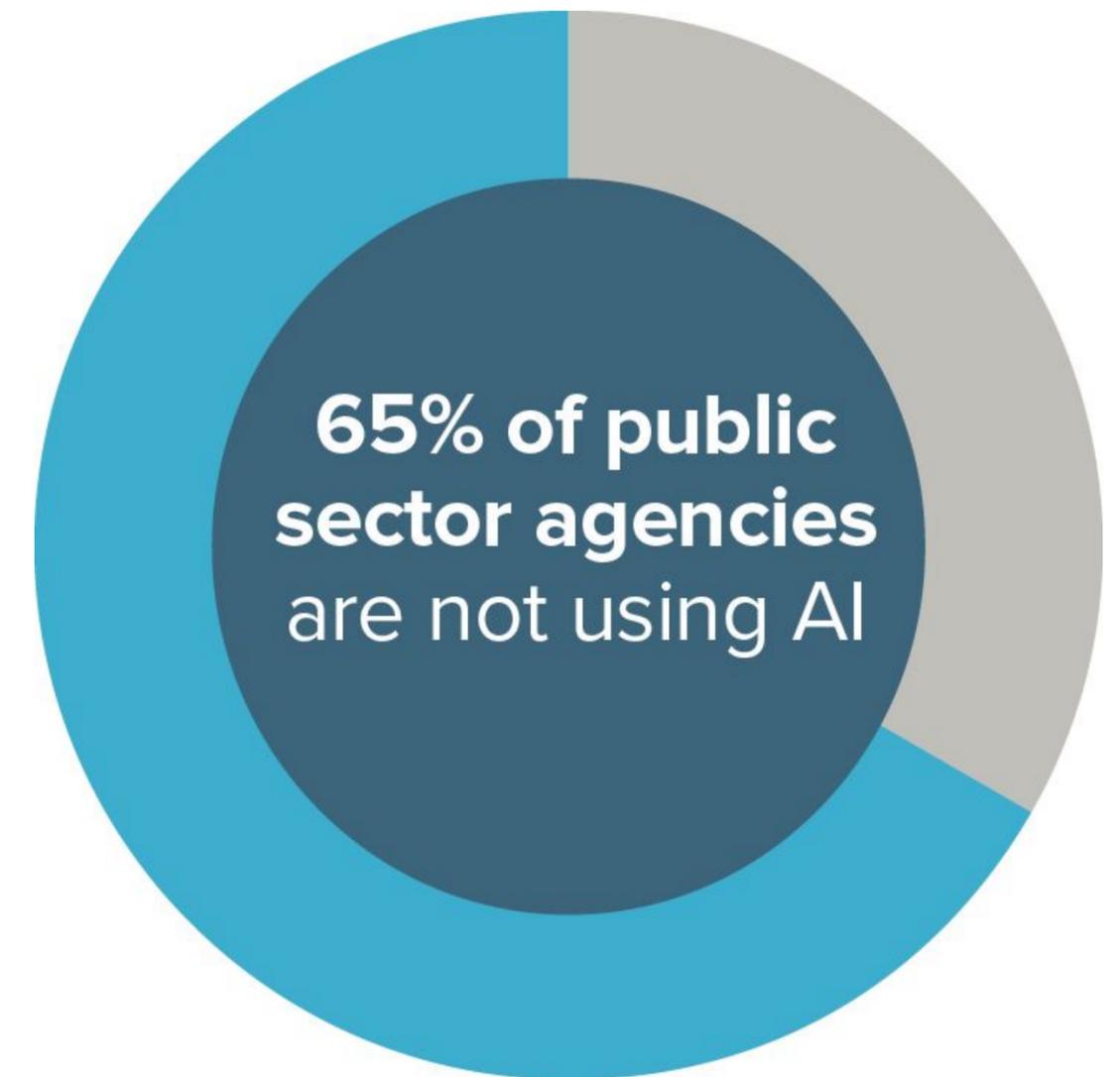
Retention & Compensation Strategies

- Expand job sourcing channels
- Strengthen your marketing efforts to highlight your culture & mission
- **Improve hiring speed to capture top talent:**
 - ✓ Automate job postings & candidate screening to accelerate shortlisting
 - ✓ Leverage AI-powered candidate matching to identify best-fit candidates faster
 - ✓ Implement structured interview processes with pre-set questions & automated scheduling
 - ✓ Adopt digital offer letters & e-signatures to cut paperwork delays
 - ✓ Use real-time hiring analytics to track bottlenecks & optimize processes

Trend #2:
AI and Automation
Are Here to Stay

The Reality of AI in Public Sector HR

- **65%** of agencies haven't started using AI for recruitment, however **32%** have no concerns with implementing AI
- Common concerns from HR leaders:
 - AI could introduce bias instead of eliminating it
 - Compliance & regulatory uncertainty in government hiring
 - Fear that AI will replace HR jobs
- **The reality:** AI *enhances* HR, it doesn't *replace* it



From Executive Order to Execution: AI in State Government

- ◆ **Commonwealth of Pennsylvania**

AI pilot with ChatGPT Enterprise saved employees ~105 minutes/day on routine tasks.

- ◆ **California**

Executive Order N-12-23 (2023): Directed agencies to study & deploy GenAI.

- ◆ **Washington**

Executive Order 24-01 (2024): Focus on ethical AI, civil rights protections, and transparency in government use.

- ◆ **Virginia**

Executive Order 30 (2024): Establishes AI Task Force and focuses on privacy, security, and public-sector education.

Implementing AI – Where to Start

AI adoption doesn't happen overnight.
Our advice? Start small.

Automate one process at a time:

- ✓ Writing inclusive job descriptions
- ✓ Resume screening with bias reduction
- ✓ Candidate email automation
- ✓ Predictive workforce planning
- ✓ Personalized training recommendations



Poll Question:

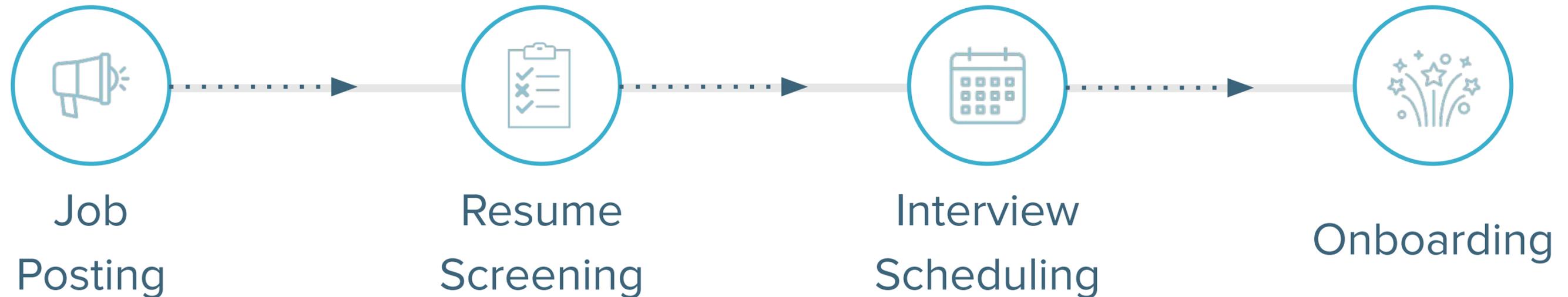
Which of the following are you currently using—or planning to use—AI for in your HR operations?

Select One:

- A.** Workforce planning & analytics
- B.** Employee engagement & well-being
- C.** Modernizing job marketing & sourcing
- D.** Career development & training programs
- E.** Inclusivity initiatives

Use AI to Enhance - *Not Replace* - HR Decision Making

AI and automation can speed up the hiring pipeline



Ethical AI Use in State Government HR

Things to Keep in Mind:

- Require clear audit trails for all AI-assisted decisions
- Maintain strong human oversight in hiring processes
- Follow EEOC guidelines and state-specific compliance laws
- Ensure accessibility for all applicants, including those with disabilities

***Public agencies are ultimately responsible
for decisions made by AI***

Trend #3:
Employee Experience (EX)
& Belonging

The EX Challenge

Why Employee Experience Matters



Only 26%
of agencies prioritize
succession planning



No clear career paths for
employees.



41% of government
employees feel
burnt out



High workloads & staffing
shortages are taking a
toll.



Employees want
growth, recognition,
and work-life balance



Agencies are having
difficulty keeping up

Strategies to Improve EX & Retention

- ✓ Personalized Training & Career Development
- ✓ Recognition & Reward Initiatives
- ✓ Flexible Work Options
- ✓ Wellness Programs to Address Burnout



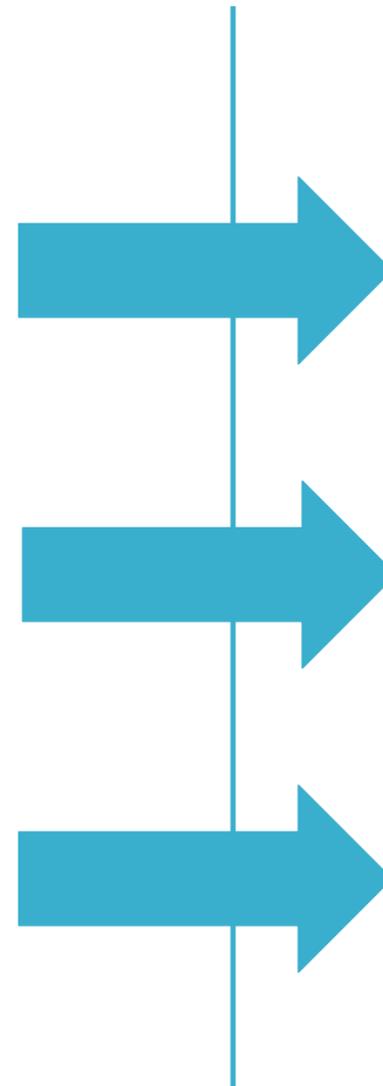
The ROI of Employee Experience

Before

High Turnover

Low Engagement

Ineffective Onboarding Process



After

Engaged public sector employees are **4Xs** as likely to stay in their current jobs.

Engaged employees are **5Xs** more likely to recommend their workplaces to others.

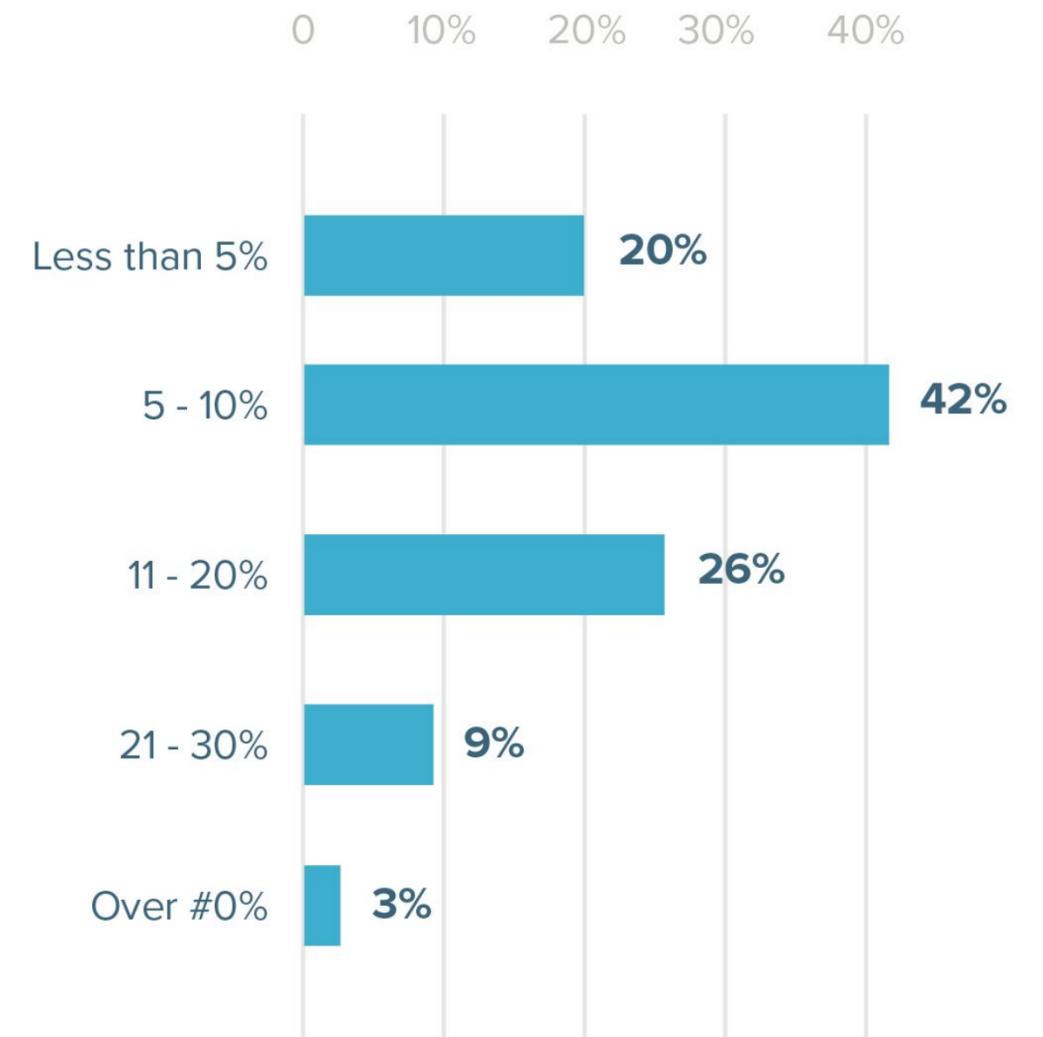
Effective onboarding in the public sector can increase retention and boost productivity from day one.

Succession Planning

The Missing Piece

- **42% of agencies expect to lose 5-10% of their workforce** in the next decade due to retirements
- 12% have structured career mapping programs to prepare for these departures
- **Key Strategies to Bridge the Gap:**
 - Mentorship Programs
 - Cross-Training Opportunities
 - Leadership Development Initiatives

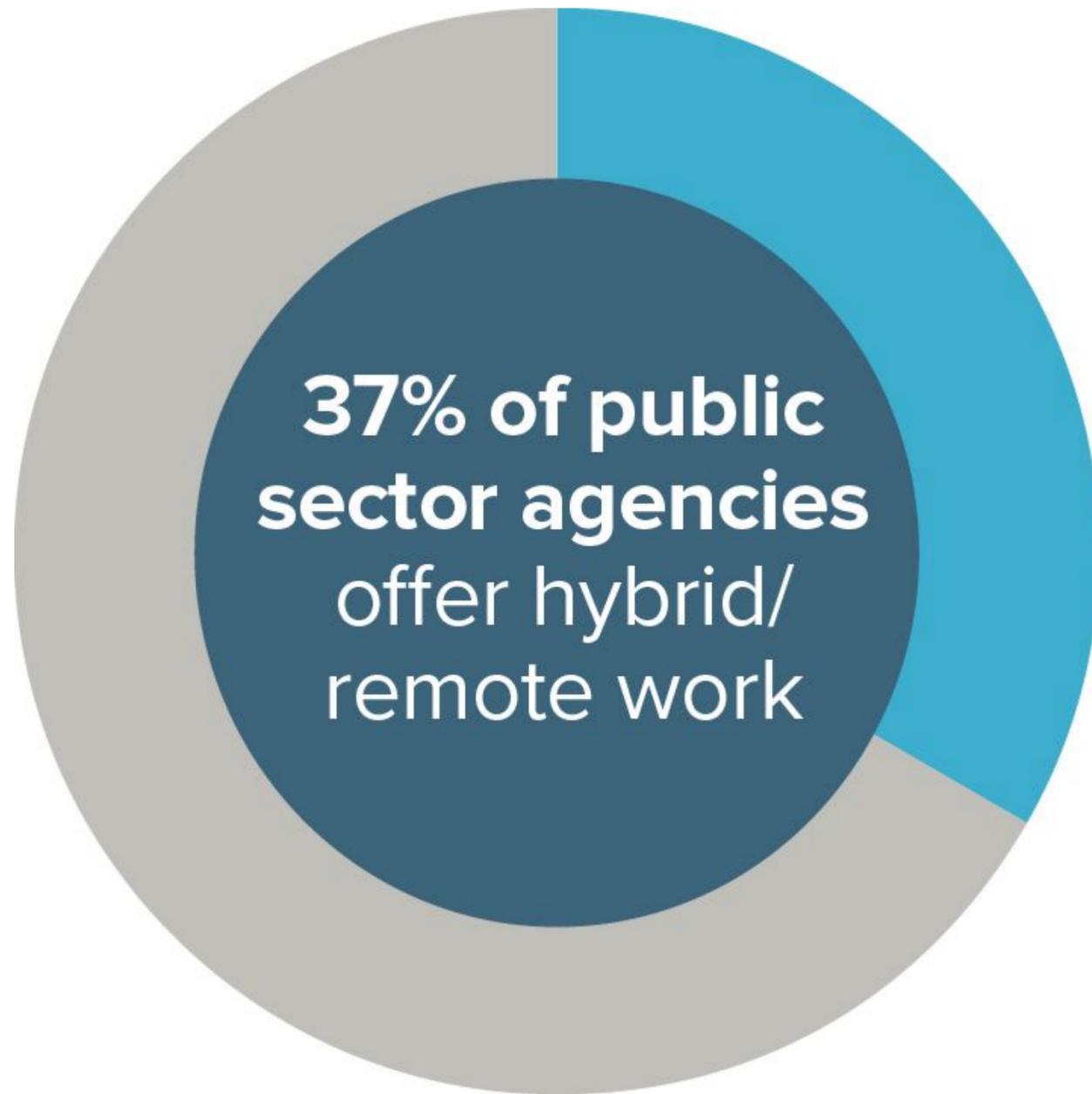
How many employees do you expect to lose in the next 5 - 10 years?



Trend #4:

Hybrid & Flexible Work Models

The Growing Demand for Hybrid Work



- 31% of agencies use flexible schedules for retention
- Employees demand it: 46% would leave if hybrid/remote work was removed
- State agencies that adopted 4-day workweeks (e.g., Utah) saw increased applications and reduced burnout.

Key Solutions for Hybrid Work Success

How Agencies Can Build a Thriving Hybrid Workforce



Bridging Communication Gaps

Use digital tools, schedule check-ins, and foster open dialogue.



Onboarding Remotely

Pair new hires with mentors and use screen-sharing for process walkthroughs.



Tracking Hybrid Performance

Shift to results-driven assessments, set measurable objectives, and provide regular feedback.

State Examples:

Flexible Solutions to Support Public Servants

State	Flexible Work Highlight
California	Broad hybrid adoption across agencies; policy-backed flexibility for state workers.
Texas	Hybrid model: 1+ day/week in-office with team flexibility to choose schedules.
Utah	Remote options + 4-day, 10-hour workweeks to boost satisfaction and reduce emissions.
Minnesota	Outcome-focused hybrid work emphasizing productivity over presence.
New York	Post-COVID flexible work policies to improve retention and service continuity.

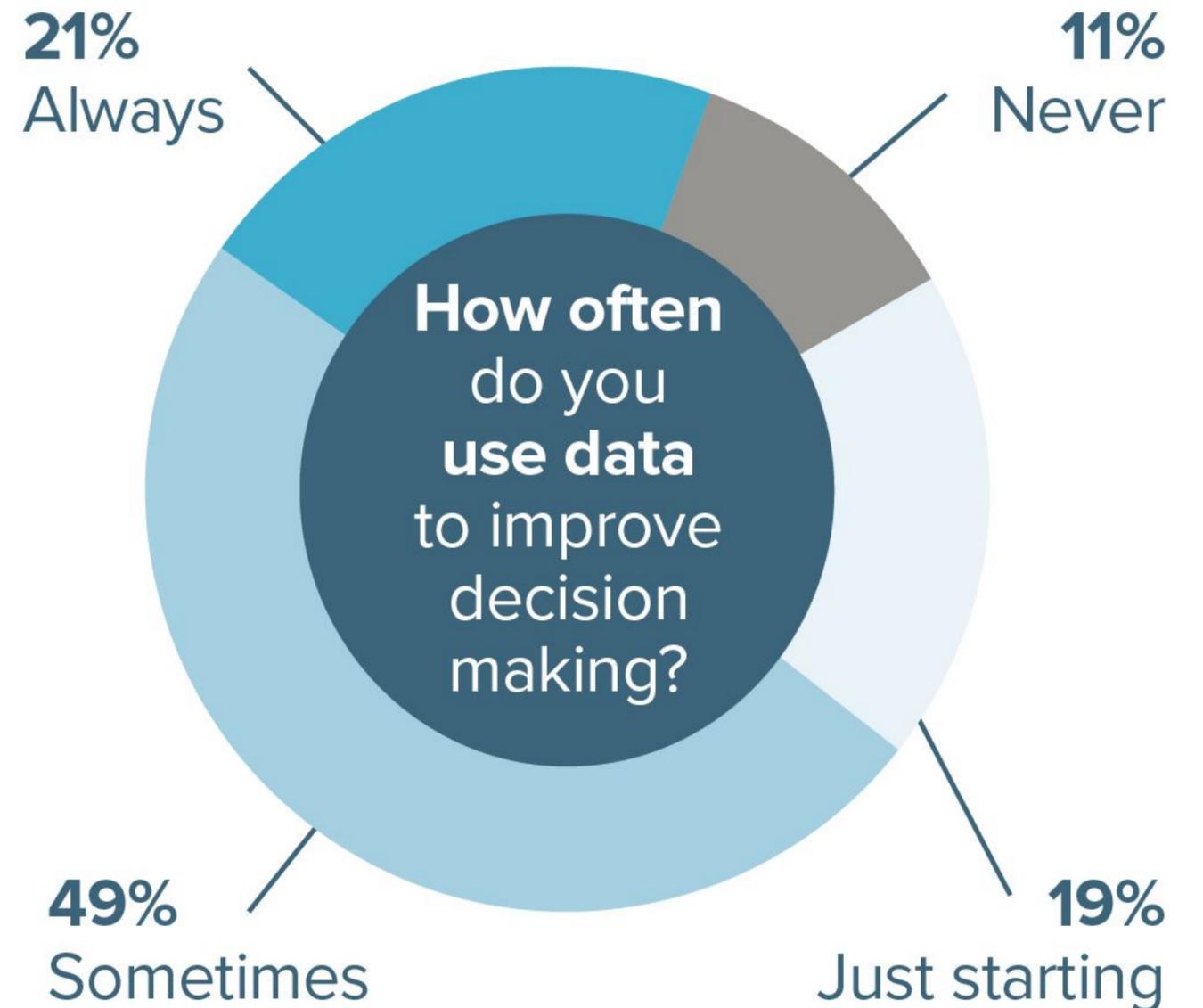
Source: PSHRA 2024 Workforce Survey, StateTech, Data-Smart Harvard, and state government websites.

Trend #5:

Data-Driven Decision-Making

The Power of Workforce Analytics

- 21% of agencies consistently use workforce data
- **Data-driven HR strategies can help:**
 - Predict turnover risks
 - Identify training needs
 - Justify budget requests



Predictive Analytics for Workforce Planning

How Agencies Can Build a Thriving Hybrid Workforce



Forecast Staffing Needs & Budgets

Anticipate retirements, recruitment gaps, and workload imbalances.



Proactive Workforce Planning

Address turnover risks before they impact operations.



Data-Driven Decisions

Optimize resource allocation and adapt to workforce changes effectively.

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Technology's Role in These Trends

How Technology Empowers Public Sector HR

Technology: The Key to Smarter HR & Stronger Agencies

Automates
time-consuming
tasks



**More time for
retention
initiatives &
leadership
development**

Enhances hiring
speed &
candidate
experience



**Attracts top
talent before
competitors do**

Boosts employee
engagement



**Self-service tools
reduce HR
workload &
improve
satisfaction**

Supports hybrid
work & workforce
planning



**Enables better
retention &
future-proof hiring**

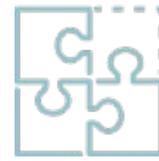
The Competitive Advantage of HR Technology



Reduces hiring time



Secure top candidates before private sector competitors



Creates a modern, employee-friendly workplace



Improves satisfaction & retention



Enhances workforce planning



Data-driven insights for staffing, budgeting & succession planning

Key Takeaways

1. The public sector job **market is changing** - and it's an opportunity
2. **AI & automation** are underutilized but have huge potential
3. **Employee Experience (EX)** is a game-changer for retention
4. **Hybrid & flexible** work models are here to stay
5. **Data-driven decision-making** is the future of public sector HR

What Agencies Should Do Next

- ✓ Invest in **employer branding** to attract talent
- ✓ Leverage **AI & automation** to improve efficiency
- ✓ Prioritize **employee engagement** & well-being
- ✓ Develop **hybrid work policies** that support retention
- ✓ Use **workforce data** to make smarter decisions

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