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Executive Office of the Governor

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January 8, 2020

TO: Robyn Lockett *Delivered via email Rlockett@iso.idaho.gov*
Budget & Policy Analyst
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FROM: Susan E. Buxton
Administrator
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Handwritten signature of Susan E. Buxton in cursive.

CC: Zach Hauge
Chief of Staff
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Alex J. Adams
Administrator
Division of Financial Management

SUBJECT: Change in Employee Compensation Committee Informational Request

This memorandum includes information requested by the Change in Employee Compensation Committee (CECC) during a meeting held on January 3, 2020.

Market Turnover Data

During the meeting, a CECC member inquired about the availability of national turnover data.

In response, Korn Ferry has provided the following turnover as data collected in their annual compensation survey:

23.0% Total Turnover
17.1% Voluntary Turnover

This turnover represents participants in Korn Ferry's database, including employers from all sectors: public and private sector, not-for-profit, and for profit.

Source – Bureau of Labor Statistics

The Bureau of Labor Statistics (BLS) collects and compiles Job Openings and Labor Turnover (JOLTS) data monthly from a sample of nonfarm establishments. Annual levels for hires, quits, layoffs and discharges, other separations, and total separations are the sum of the 12 published monthly levels. The annual total separations rate for 2018¹ of all industries was 44.3%. The annual rates for the components of total separations were 26.9% for quits,² 14.7% for layoffs and discharges,³ and 2.8% for other separations.⁴

Annual Separations by industry for 2018:

Government

Total Turnover: 18.7%
Voluntary Turnover: 9.6%

State and Local

Total Turnover: 19.2%
Voluntary Turnover: 10.0%

Private Sector

Total Turnover: 48.9%
Voluntary Turnover: 29.9%

Annual estimates are issued each year in March with the release of January data. The 2019 annual data will be released by BLS on March 17, 2020.

Note: The State of Idaho’s turnover categories of voluntary, involuntary, and retirement differ slightly in criteria from those defined by the BLS. For example, transfer to other location (agency) is included as voluntary turnover, while separations due to death and disability are included as involuntary in the State’s reporting system.

The State experienced 14.9% total turnover during FY 2019, made up of 7.9% voluntary, 3.8% involuntary, and 3.2% retirement. The State’s lower turnover rate supports DHR’s less aggressive CEC salary increase recommendation and acknowledges that the State does not necessarily need to pay the top of the market in all job families to attract and retain employees. The lower turnover rate also supports the employee survey feedback that state employees are willing to accept lower pay for better benefits.

Source – Idaho Department of Labor

The Idaho Department of Labor has not conducted a study regarding employee turnover for Idaho employers as a whole and is not aware of any such published data.

¹ Job Openings and Labor Turnover Survey News Release (2019), U.S. Bureau of Labor Statistics, full report can be found at https://www.bls.gov/news.release/archives/jolts_03152019.htm.

² BLS definition: *Quits are generally voluntary separations initiated by employees (except for retirements, which are reported as “other separations”).*

³ BLS definition: *Layoffs and discharges are involuntary separations initiated by the employer and include layoffs with no intent to rehire; formal layoffs lasting or expected to last more than 7 days; discharges resulting from mergers, downsizing, or closings; firings or other discharges for cause; terminations of permanent or short-term employees; and terminations of seasonal employees.*

⁴ BLS definition: *Other separations includes retirements, transfers to other locations, deaths, and separations due to disability.*

Target Positions

During the meeting, a CECC member inquired about the number of separations within the classifications identified as a target position. The Target Positions are shown in two (2) tables on page 10 of the CEC Report.

The first table shows the estimated total compensation costs (salary and variable benefits) to increase all employees, both classified and non-classified, in each classification by increments of 1% - 5%. Temporary employees are not included. *(See page 10 of the CEC Report to review this table.)*

The second table on page 10 of the CEC Report shows the employee count (classified and non-classified) as of November 2019, pay grade, the percentage of FY 2019 voluntary turnover, the percentage of FY 2019 total turnover, average compa-ratio, and 2019 market position of each classification. DHR recommends addressing the salary increases of these target positions on a statewide basis.

Note: The Idaho Business Intelligence Solution (IBIS) reporting system calculates turnover rates with the following formula: $(\text{Separations} / ((\text{Begin Count} + \text{End Count})/2)) * 100$. Turnover rates represent a component of the analysis, accompanied by the classification's market position and employee position within the salary range.

In response to the CECC member's request, the following table includes the FY 2019 voluntary and total turnover counts of classified and non-classified employees:

Class Title	Count as of Nov 2019	Pay Grade	FY19 Voluntary Turnover Count	FY19 Voluntary Turnover %	FY19 Total Turnover Count	FY19 Total Turnover %	Avg Compa-Ratio	Market Position
Administrative Assistant 1	357	H	43	11.2%	83	21.7%	87.1%	76%
Administrative Assistant 2	292	I	29	10.1%	51	17.7%	88.1%	84%
Building Superintendent	9	J	1	18.2%	2	36.4%	85.2%	62%
Carpenter	10	H	0	0.0%	1	13.3%	96.9%	76%
Client Services Technician	22	G	3	11.5%	5	19.2%	86.1%	76%
Correctional Case Manager	111	K	9	8.1%	10	9.1%	81.1%	74%
Custodian	187	E	27	13.7%	50	25.4%	94.5%	84%
Customer Service Rep. 1	87	G	25	21.6%	46	39.8%	86.3%	84%
Customer Service Rep. 2	130	H	17	15.8%	38	35.4%	82.5%	78%
IT Info. Security Engineer II	19	M	0	0.0%	2	11.1%	100.2%	86%
IT Software Engineer I*	32	K	3	13.6%	9	40.9%	92.0%	73%
IT Software Engineer II*	26	L	10	22.7%	11	25.0%	92.8%	68%
IT Sys. & Infra. Engineer II*	45	L	1	3.3%	5	16.7%	90.6%	83%
Maintenance Craftsman	8	G	5	20.8%	16	66.7%	83.2%	72%
Nurse, Registered	69	L	20	22.9%	30	34.3%	90.5%	85%
Nurse, Registered Manager	39	N	2	5.1%	7	18.0%	90.8%	74%
Scientist 3	14	M	2	12.5%	7	43.8%	81.1%	79%
Tax Auditor 1	25	K	4	13.6%	7	23.7%	72.2%	
Tax Auditor 2	26	L	2	8.5%	3	12.8%	73.6%	90%
Tax Auditor 3	39	M	1	2.4%	5	11.8%	82.6%	83%

**These Information Technology (IT) classifications absorbed more than one (1) old class during FY 2019, so counts were conducted manually. Information Technology as an occupational group experienced a total turnover rate of 22.6%, with 63 separations.*

For comparison, the following table shows separation count and total turnover rate by occupational group for FY 2019:

Occupational Group	Classified Separation Count	Turnover Rate
Administrative	392	17.2%
Engineering	83	9.4%
Finance and Accounting	86	13.1%
Health Care-Medical	3	40.0%
Health Care-Services	191	16.2%
Information Technology	63	22.6%
Labor Trades and Crafts	174	15.9%
Management Sub Group	17	8.6%
Nurses	120	30.1%
Para-Professional Sub Group	132	14.7%
Professional Services	302	12.6%
Protective Services	284	16.1%
Science/Environmental	50	8.4%

Please feel free to contact me with any questions you may have. Thank you.

SEB/sb