



A STATE AND LOCAL GOVERNMENT LEADER'S GUIDE TO

BUILDING THE PUBLIC WORKFORCE OF THE FUTURE

CONTENTS

4 INTRODUCTION

5 CURRENT BARRIERS & CHALLENGES

6 EFFECTIVE RETENTION & RECRUITMENT STRATEGIES FOR THE PUBLIC SECTOR

- 6 IMPLEMENT CIVIL SERVICE REFORM
- 8 INVEST IN INNOVATIVE PARTNERSHIPS & APPRENTICESHIP PROGRAMS
- 10 IMPLEMENT TRAINING, DEVELOPMENT & CONTINUING EDUCATION

12 CHECKLIST FOR AGENCIES: A ROADMAP TO BUILDING THE FUTURE WORKFORCE

- 14 EXPLORE BENEFITS MODERNIZATION
- 16 FOCUS ON WORKPLACE CULTURE
- 17 OFFER FLEXIBLE WORK SCHEDULES
- 18 LEVERAGE TECHNOLOGY AND SOCIAL MEDIA

19 CONCLUSION

FOR GOVERNMENT AGENCIES, BUILDING A WORKFORCE FOR THE FUTURE MUST START TODAY.

EXECUTIVE SUMMARY

The need for workforce modernization in the public sector has never been greater. There are multiple challenges that make it both more important and more difficult for states and localities to attract new employees into public service. To solve these challenges, governments must modernize their approach to hiring and retaining talent.

First, the challenges: Government workforces skew older than their private-sector counterparts, according to U.S. Bureau of Labor statistics, with public agencies employing higher percentages of Baby Boomers and Gen-Xers than commercial companies. Public agencies will continue to experience high retirement rates, particularly among senior and highly skilled employees, as these individuals leave the workforce.

Replacing this talent won't be easy, thanks to an increasingly competitive labor market. The nation's jobless rate is the lowest in more than a decade. Qualified employees often have their choice of attractive job offers.

Unfortunately, some of the aspects that historically made public-sector jobs attractive are being scaled back. This is particularly true of defined benefit pension plans and health coverage, which have been key differentiators for government employers. Government workers,

for instance, are being asked to shoulder a greater portion of their health insurance premiums as states and localities look to trim budget expenses.

The impact of changes like these can be severe. Sixty-five percent of 167 respondents to a 2017 Governing Institute workforce survey ranked benefits as a top factor in recruitment and retention.¹

Innovative public agencies are confronting these issues through workforce modernization.

California and Tennessee are simplifying and modernizing civil service rules making it easier for job-seekers to find open positions and streamlining the hiring process. In Tennessee, these changes also let state agencies pay workers based on their performance.

Partnership and apprenticeship programs are helping states and localities build a pipeline of skilled workers. One example comes from Hennepin County, Minn., where the government teams with community and technical colleges and local non-profit organizations to prepare non-traditional students for civil service careers.

Tennessee and others are emphasizing training for existing employees to retain and maximize talent. Leadership academies and similar activities — directed by a state-level chief learning officer — help groom Tennessee employees for career advancement.

States and localities also are modernizing employee benefits — a key factor in hiring and retention — by launching electronic enrollment processes and offering an array of voluntary benefit options that let workers tailor coverage to fit their needs. That's the case in Hialeah, Fla., where the city digitized the sign-up process and implemented one-to-one counseling to help employees and retirees make smart health care choices.

Workplace culture is getting more attention, too. The Folsom, Calif., Police Department promotes work-life balance by keeping an eye on mandatory overtime and fostering an environment where officer voices are heard and respected. Folsom Police Chief Cynthia Renaud notes that happy employees are some of her most effective recruiters.

Finally, agencies are using tools like social media to engage with prospective employees. The Folsom PD texts job applicants weekly with test results and other information to keep them engaged in the hiring process. And California uses social media advertisements to target talent for hard-to-fill positions.

Implementing practices such as these is crucial for states and localities as they recruit and retain talent in an increasingly competitive employment market. ♦



INTRODUCTION

The city of Sunnyvale, population 140,081, is in the middle of California's Silicon Valley — a place where startups with multi-million dollar valuations fiercely compete for the best talent.

In this environment, you'd think a government agency would be at a disadvantage. After all, it's difficult to lure workers away from a six-figure salary, stock options and unlimited vacation.

But Sunnyvale found a way to hold its own. The city implemented a comprehensive recruitment and retention strategy to build and strengthen its future workforce. Sunnyvale encourages employees to share their career interests through a career plan the city has developed. Employees can then participate in job shadowing, coaching, mentoring, a job exchange, career development and training.²

These activities not only help the city with succession planning, but also ensure it has a talent pipeline for roles that have historically had high vacancy rates. In addition, Sunnyvale creates an extensive professional development course catalog every year and offers flexible scheduling so employees can participate.

This is what modern recruitment and retention looks like. Recruiting, hiring and retaining

qualified employees is a critical concern for state and local government agencies. Budget cutbacks, a retiring workforce and the need for more skilled talent are ongoing challenges as the public sector tries to build its workforce for the future.

Government agencies traditionally have been able to compete for talent with the private sector because they offer attractive benefit plans, but this is changing as agencies shift more of the costs for benefits onto employees. In response, government agencies need innovative solutions to strengthen their workforce and recruit and retain the best and brightest workers to civil service.

Several agencies are already implementing effective solutions to address this challenge, via training, apprenticeship programs, unique partnerships, flexible work schedules and more. Working with a strategic partner to modernize benefits and contain costs is another approach the public sector should consider.

For example, the city of Hialeah, Fla., transitioned its paper-based and outdated benefits enrollment process to a modern enrollment platform. The city is now able to better communicate with employees about their benefits options and

ensure they take advantage of what is available to them.

For government agencies, building a workforce for the future must start today. It's a long game, but the creative approaches some agencies throughout the country already have implemented could provide a roadmap toward success. ♦

THE TOP 5 KEYS TO RECRUITMENT

1. **COMPETITIVE SALARY**
2. **COMPETITIVE BENEFITS**
3. **WORK-LIFE BALANCE**
4. **WORK SATISFACTION**
5. **JOB STABILITY**

Source: 2017 Governing Institute Public Sector Benefits Survey

CURRENT BARRIERS & CHALLENGES

In the 2017 Governing Institute survey, respondents cited competitive salary, competitive benefits, work-life balance, work satisfaction, job stability and opportunity for career advancement as the most important factors in recruitment and retention.

However, the first two items — and arguably the ones that have the biggest impact — are often hampered by budgetary challenges. Ninety percent of survey respondents said budget constraints kept them from increasing or improving their benefit offerings.

“Budgetary dollars are more scarce in the public sector compared to previous years,” says Johnny Castro, national public sector practice leader for Colonial Life & Accident Insurance Company, which has offered end-to-end benefits solutions to the public sector for the last 60 years. “How do you still maintain that rich employee benefit portfolio — what the public sector has been known for — with these massive budget cuts? It’s a big challenge.”

Another challenge for the public sector is mass retirement. During the Great Recession, older workers delayed their retirement, but now more of them

are leaving public employment. Twenty percent of the U.S. population will be over age 65 by the year 2030,³ indicating that a tidal wave of retirements is coming within the next decade.

“You still have that concept of ‘holding on while fading out’ — people who maybe are ready to retire but aren’t quite making that move and for the organization that means waiting, waiting and more waiting to figure out what’s going to happen with its workforce in the next five years,” says Kirsten Wyatt, founder and executive director of the professional organization Engaging Local Government Leaders (ELGL).

On top of this, the public sector still must compete with the private sector for talent. If what attracted workers to the public sector was its benefits richness, the private sector now has this in spades. Some agencies are turning to approaches that private companies usually employ, including flexible work schedules, but many are implementing strategies that rely on unique capabilities only the public sector can offer, like intra-agency collaboration, cross-departmental training and partnerships with local unions. ◆



20% OF THE U.S. POPULATION WILL BE OVER AGE 65 BY 2030.



EFFECTIVE RETENTION & RECRUITMENT STRATEGIES FOR THE PUBLIC SECTOR

IMPLEMENT CIVIL SERVICE REFORM

Some jurisdictions are tackling workforce challenges by simplifying and modernizing civil service rules. California and Tennessee are two states that have implemented civil service improvements, backed by their governors.

In 2013, as part of Gov. Jerry Brown's overhaul of state

government, California created the Government Operations Agency (GovOps), which oversees 10 state departments that are responsible for human resources (HR), state procurement and state IT. The agency's Civil Service Improvement Initiative, which examines state government's HR practices, has triggered simplification and standardization of California's service job classifications.

Reducing the number of job classifications from 4,000 to 3,300 and standardizing job titles among state agencies has several advantages, says Dave Rechs, deputy secretary of human resources at GovOps.

"It's easier for the job seeker to find a job. They don't have to maneuver through this huge

classification structure. It allows departments to begin utilizing multi-departmental lists, so you don't have a department-specific classification within each department. We can start leveraging each other's exams, shared services and just have a better economy of scale. We're also shifting more of our classification exams online, so applicants can access them 24/7," Rechs says.

Tennessee also has implemented civil service improvements. In 2012, the state passed the TEAM Act, which included a new hiring system that required agencies to define the knowledge, skills, abilities and competencies required for success in the role.

"It tackled hiring, reductions in workforce, employee appeals, performance management, and learning and development — and gave us the ability to pay for performance," says Rebecca



“Developing an organizational priority of making HR practices as important as your annual budget review is something organizations need to consider if they want to make adjustments to hire the workforce of the future.”

**Kirsten Wyatt, Founder and Executive Director,
Engaging Local Government Leaders**



Hunter, commissioner of the state’s HR department.

Hunter says state leaders knew they needed to start over with performance management, so they implemented a new rating system to assess employee performance. The five tiers are unacceptable, marginal, valued, advanced and outstanding, the latter of which is the highest ranking and means an employee has contributed to the organization’s goals in a measurable way.

One of the most impactful moves Tennessee made was transitioning to a S.M.A.R.T. Performance Model where each employee was required to have S.M.A.R.T. goals (S.M.A.R.T. stands for Specific, Measurable, Achievable, Relevant and Time Sensitive). Under this model, clear performance goals are established so employees know what to focus on every day to advance in their work and achieve

specific outcomes. It also ensures employees and their managers are on the same page during performance review discussions.

Hunter says the state worked on writing S.M.A.R.T. goals and measuring performance for three years before it implemented a new pay-for-performance model. As a component of this, Tennessee conducted an audit every year of different agencies’ S.M.A.R.T. goals to make sure they were written and executed appropriately. In January 2016, the state began paying for performance for the first time, transitioning from across-the-board raises to a model where any employees who receive at least a “valued” rating earn an increase to their base pay. Employees who earn an “advanced” or “outstanding” rating also receive an additional one-time performance bonus.

“Everyone we talked to said they can tell a big difference

because it helps them hold their teams accountable,” Hunter says of the state’s pay-for-performance model.

This method can help states with recruitment and retention because it recognizes that performance may be just as important — if not more so — than seniority. Wyatt of ELGL says it’s critical for agencies to review their HR practices to identify opportunities that will improve recruitment and retention.

“Developing an organizational priority of making HR practices as important as your annual budget review is something organizations need to consider if they want to make adjustments to hire the workforce of the future,” she says. ♦

INVEST IN INNOVATIVE PARTNERSHIPS & APPRENTICESHIP PROGRAMS

Partnerships and apprenticeship programs can help jurisdictions build a pipeline of skilled workers.

For instance, Hennepin County, Minn., partners with local community and technical colleges to prepare non-traditional students for civil service jobs through training and internships. The county has 17 pathways to employment through its career connections programs, says Michael Rossman, the county's chief human resources officer. Graduates from the program are placed on eligible or qualified lists for jobs with county departments.

"We've embarked on these pathway programs and have been building them from scratch, working with community agencies and schools," Rossman says. "We've hired about 150 people into permanent jobs in the last three years."

The commonwealth of Virginia also has a variety of internship programs aimed at

preparing workers for hard-to-fill jobs. Virginia's HR department partners with its Department of Labor and Industry for an apprenticeship program that trains employees for positions in skilled trades. The commonwealth has a similar workforce development program for nurses. Another Virginia department partners with local law schools to have third-year law students work as mediators for course credit during the summer.

Though participants in these programs can choose to work in the private sector after they complete their education, having them engaged in public sector work early in their professional careers could make them more aware of the opportunities available in public service.

Virginia also has a program called Virginia Values Veterans (V3) that connects veterans with employers across the state, including state government.

"We reach out and try to translate what they did in the military to what they are doing now in the agencies, and what could be a good fit," says Sara Wilson, director of Virginia's Department of Human Resource Management.

Similarly, California has begun working with the U.S. Marine Corps at Camp Pendleton to recruit soldiers leaving active duty into state employment. Many of these veterans have special skills — they're heavy equipment operators, mechanics, telecom experts, etc. — which state agencies need, Rechs says.

"We're starting to build that pipeline with the Marines to make them aware of the opportunities we have in state government," he says. "We're actually talking about bringing the civil service exams onto the base before they're released, so they can get on a hiring list and then maybe even start the hiring process. It's a very abbreviated process and that's another idea that we have for people with disabilities or other underrepresented groups we're focused on to build a broad and diverse state workforce population."

One of California's most innovative partnerships is a collaboration with a local labor union to prepare existing employees for high-demand positions. The state works with Service Employees International Union (SEIU) Local 1000 to train clerical employees in computer networking skills. Nine employees are participating in the first cohort of the unique two-year apprenticeship program. Participants attend community



college classes at night and eventually achieve industry networking certification.

The state also collaborates with SEIU Local 1000 on another apprenticeship program that helps licensed vocational nurses become registered nurses. And Rechs says the state wants to roll out similar programs in other areas.

Efforts in California and Virginia exemplify how creative collaborations help states build a pipeline today that could serve them well in the future. Other agencies that want to build a more robust talent pipeline should consider partnering with schools, local unions, nonprofits and the military to give potential workers more exposure to public employment. By doing this early, agencies can build a pool of workers who are eager and enthusiastic about working in the public sector. ◆

CALIFORNIA WORKS WITH THE U.S. MARINE CORPS AT CAMP PENDLETON TO RECRUIT SOLDIERS LEAVING ACTIVE DUTY. MANY OF THESE VETERANS HAVE SPECIAL SKILLS – THEY’RE HEAVY EQUIPMENT OPERATORS, MECHANICS, TELECOM EXPERTS, ETC.



IMPLEMENT TRAINING, DEVELOPMENT & CONTINUING EDUCATION

States and localities should focus on building their talent pipelines, but they shouldn't forget about retaining current workers. Jurisdictions are creating training and continuing education programs to both improve employee skills and keep them in the public sector workforce.

Hennepin County has launched several of these

initiatives. An employee career center connects employees to professional development, education and community resources that can aid in their growth and development. A management institute and leadership academy offer mentoring programs. Another mentorship program pairs high-potential employees of color with executive

leaders, directors or administrators around the county.

Tennessee has concentrated on building a robust learning culture over the past five years. Those efforts include appointing the nation's first state-level chief learning officer (CLO), Dr. Trish Holliday, who drives the development and curriculum of the state's leadership programs.

"It was important to have a chief learning officer so that learning could be aligned across the enterprise," Hunter says. "We wanted there to be a shared language."

The state has nine enterprise-wide leadership development programs and 19 leadership academies, including its Next Level Leadership Academy and Accelerated Leadership Institute, which are designed to groom current employees for the next level of their career.

The Next Level Leadership Academy is in its fifth year and regularly draws more applicants than its 12 available slots. Hunter says the program has a dramatic impact on participants.

"Within six months, their peers, their bosses and even



“We had a handful of the participants come up to us and say, ‘Thank you so much. If it weren’t for this initiative [the Accelerated Leadership Institute], I was getting ready to leave state government.’”

Rebecca Hunter, Commissioner, Tennessee Department of Human Resources

those who were in supervisory roles were saying to us ‘What are you doing?’ because they could tell a difference in them,” she says. “They already were great employees, but the program worked because we were investing in them and they could tell we had pulled out all the stops to make this a dynamic learning opportunity.”

The Accelerated Leadership Institute allows high-potential employees who have typically not supervised to participate in a rigorous program that teaches them advanced leadership competencies. Participants also work on an enterprise-wide project and deliver a final, executive-level presentation.

“We had a handful of the participants come up to us and say, “Thank you so much. If it

weren’t for this initiative [the Accelerated Leadership Institute], I was getting ready to leave state government,” Hunter says.

Hunter and other government leaders say providing continuing education and training are key strategies to develop talented workers into future leaders.

“Often when the economy goes bad, training is the first thing departments cut,” Rechs says. “We’re really shooting ourselves in the foot in terms of management. We should always provide training.”

“We talk all the time about how employees are our greatest

assets, but if we’re not investing in them, we shouldn’t be saying that,” Hunter says. “Regardless of whether it’s new people coming into the workforce or people who have been with state government for 25 years, if they’re truly there for the right reasons, which is to serve, they are excited about the opportunity to grow and develop.” ♦



CHECKLIST FOR AGENCIES: A ROADMAP TO BUILDING THE FUTURE WORKFORCE

To effectively recruit and retain skilled workers, the public sector must implement innovative strategies around workforce policy and update its management practices. Here are some strategies and best practices — tested and implemented by agencies across the country — to consider.



GET EARLY BUY-IN FROM KEY STAKEHOLDERS.

Retention and recruitment initiatives shouldn't happen in a vacuum. It's critical to get buy-in and input from leaders across departments and seek executive support. California, Tennessee and Virginia engaged their governors in the process and clearly showed where these strategies benefited the enterprise.

“The secret is to get that support from the top and engage them so they see it as adding value to the organization, not as a budget cost,” Hunter of Tennessee says.



ENGAGE IN PARTNERSHIPS.

Launch innovative local partnerships and apprenticeship programs with schools, unions and other organizations to build a talent pipeline. This also helps potential applicants meet the requirements of civil service job classifications, as California's IT apprenticeship illustrates. It's also important to create mentorship, leadership and career development programs. These programs can aid retention and spread institutional knowledge by giving younger workers skills to move into leadership positions as older workers retire, thereby preparing your organization for the future.



FOCUS ON SUCCESSION PLANNING SOONER RATHER THAN LATER.

“Agencies need to build a pipeline so they have employees prepared to move into positions when people leave,” Reichenberg says. “They need to engage in workforce and succession planning because if you don't know where you're going, then how are you going to get there?”

Some states have already laid the groundwork for succession planning. The state of California developed a workforce succession plan academy, with cohorts that consist of about 12 departments. The academy lasts several months and at the end of the program individuals graduate with their organizational workforce succession plan, Rechs says. Efforts like this can help agencies pass along institutional knowledge, create a pool of internal qualified candidates and prime workers today for the organization's future needs.



ESTABLISH A TECHNOLOGY AND DATA-DRIVEN CULTURE.

More agencies now use data to address pain points in their recruitment and retention efforts, whether it's identifying high turnover jobs, measuring the impact of potential retirements or assessing the effectiveness of recruiting on social media. Use data to gain visibility into where your organization can improve to build its workforce for the future. Also leverage technology to automate the talent management process and improve the user experience on your agency's application portal and website.



TAKE STEPS TO REMAIN BENEFITS-RICH WHILE CONTROLLING COSTS.

Agencies should work with a strategic partner to implement a modern benefits enrollment, communications and education process. Customizing benefits using voluntary products and personal benefits counseling, offering value-added programs and facilitating cost sharing can help save money while offsetting employees' benefits costs.



DON'T LET BUDGETARY CONSTRAINTS HAMPER CREATIVE SOLUTIONS.

Consider flexible vacation accrual schedules and bring-your-own-device policies to give employees the option of working from any location as long as their connection is safe and secure.

The city of Sunnyvale has city-organized game days for employees, wellness activities and resident rates for them to use the community center regardless of where they live. Sunnyvale also provides coffee service for employees by partnering with a local nonprofit to create a coffee cart (which also provides jobs for the homeless). This shows some retention strategies also can be creative enough to help solve public problems.



USE LOCATION TO YOUR ADVANTAGE.

Chief Cynthia Renaud of the Folsom Police Department says her organization has started to seriously advertise its location as a part of its recruitment strategy. Folsom is halfway between Lake Tahoe and San Francisco, has great schools, tons of outdoor activities and affordable home prices. If your location is a draw, use it.



IMPROVE EXISTING HR PRACTICES.

Not every agency will be able to implement comprehensive civil service reform, but organizations can still work collaboratively across departments to make improvements. Virginia conducts third-party exit surveys to understand why employees leave and uses this information to improve its workforce planning. Tennessee conducts stay interviews to engage current employees, as well as exit interviews, engagement surveys and client surveys.

Hennepin County is adding an experience equivalency for education to job postings, so it recruits a more diverse population of workers who may be experienced even if they don't have a four-year college degree. ◆



EXPLORE BENEFITS MODERNIZATION

Like many municipalities across the country, the city of Hialeah, Fla., faced multiple challenges when it came to providing benefits to its 1,500 employees.

The city relied on an outdated, paper-based enrollment process, had to communicate benefits options to a large number of Spanish-speaking employees and dealt with many employees who had a limited understanding of the options available.

Hialeah partnered with Colonial Life to modernize and update its benefits enrollment process. Colonial Life worked with the city's HR manager as an extension of the human resources department, and gave employees and the city's 800 retirees a better grasp of their benefit options before they enrolled. The company also offered 1-to-1 benefits counseling for employees, providing bilingual counselors who advised employees on what financial protections they may

need and how health care reform requirements might affect them.

In addition, Colonial Life assisted the city with payroll deduction issues and automated all of Hialeah's enrollment data into a centralized database that includes the most current information on employees and retirees. The effort boosted employee participation in the benefits enrollment process and increased efficiency for the HR department.

Hialeah's partnership with Colonial Life highlights the advantages of benefits modernization. Benefits are an important part of recruitment and retention. In the Governing Institute survey, 65 percent of respondents said benefits played a critical role in their decision to remain in the public sector. However, the difficulty for state and local agencies is balancing budgetary concerns with maintaining an attractive benefits package — particularly in today's competitive market for talented employees.

"There's been a lot of pressure to look at the whole benefits package and say, 'How do we cut costs and how do we make this sustainable,'" says Neil Reichenberg, executive director of the International Public Management Association for Human Resources (IPMA-HR). "Public sector employers traditionally enjoyed a competitive edge with benefits — and there's pressure to chip away at those."

As budget concerns prompt agencies to shift more benefit cost to employees, state and local leaders must reevaluate current benefits packages with an eye toward making them more relevant to their workforces. Steve Vermette, vice president of Brokerage for Colonial Life, says to remain competitive, agencies can customize benefits to meet the unique needs of their employees, modernize benefits administration and offer a suite of voluntary benefits to address coverage gaps.

"A strategic partner can help you streamline benefits enrollment, administration and communication with advancements in technology," Vermette says. "There are also opportunities to implement cost-containment strategies, like cost sharing and dependent verification, to realize new funding sources for agencies."

Here are some strategies the public sector should consider:

OFFER VOLUNTARY BENEFITS

Benefits should be customized to the age and circumstances of each employee. Moving non-core benefits to employee-paid voluntary benefits and offering value-added programs are two ways the public sector can provide more customization to help employees offset their benefits costs.

Voluntary benefits can augment employee benefit portfolios at no additional cost

65%
**OF STATE AND LOCAL
EMPLOYEES SAID
BENEFITS HAVE PLAYED A
CRITICAL ROLE IN THEIR
DECISION TO REMAIN IN
THE PUBLIC SECTOR.**

to the employer, and they can also help employees avoid higher deductibles and increased out-of-pocket expenses. Popular voluntary benefits include accident and critical illness insurance, and dental and hospital confinement indemnity insurance. Common value-added programs include telemedicine, identity theft services, travel assistance and wellness discounts.

As medical and benefits costs continue to rise, many employers have reduced benefits or passed along the additional cost to employees. Leveraging voluntary benefits helps employers avoid this scenario while giving employees options to fill coverage gaps.

“Options like accident, disability, critical illness and cancer coverage reduce out-of-pocket expenses for employees, giving them critical financial protection,” explains Carey Adamson, national public sector practice leader for Colonial Life.

MODERNIZE BENEFITS ENROLLMENT

Modernizing benefits enrollment improves employee satisfaction and saves money for government employers. The right technology platform enables workers to enroll in all core benefits easily. It also supports dependent verification so employers can identify ineligible dependents and reap cost savings. And it safely and securely stores all insurance benefits data and related employee information.

Modernization strategies also should include more effective communication with employees. Twenty-six percent of public

sector employees say materials explaining benefits package details are unclear.⁴ As more employers move away from 100-percent sponsored plans, communication will be key to ensure employees understand their benefits options.

Effective benefits communication encompasses online tools, written materials and face-to-face conversations, since research shows employees of different generations rely on different modes of communication to educate themselves and make benefits decisions.

IDENTIFY COST-SAVING OPPORTUNITIES

Innovative strategies such as cooperative purchasing and self-insurance can help agencies reduce benefits costs.

Larger agencies may benefit from self-insuring, where the employer itself pays employee insurance claims. This approach requires a relatively large number of employees — at least 500 — to spread the risk sufficiently. Although self-insurance carries a risk for employers, it allows agencies to retain any profit generated by avoiding a fixed insurance premium, says Adamson.

Cooperative purchasing, where agencies pool their insurance purchases with other employers, is another way to save. This approach may cut costs by 5 to 20 percent for employers, but there are pluses and minuses here, too.

Cooperative purchasing can help agencies get more competitive insurance rates, says Adamson, but if others in the group have big insurance claims

it's possible that some costs could be passed on to other members of the cooperative.

FIND COST SAVINGS FOR EMPLOYEES, TOO

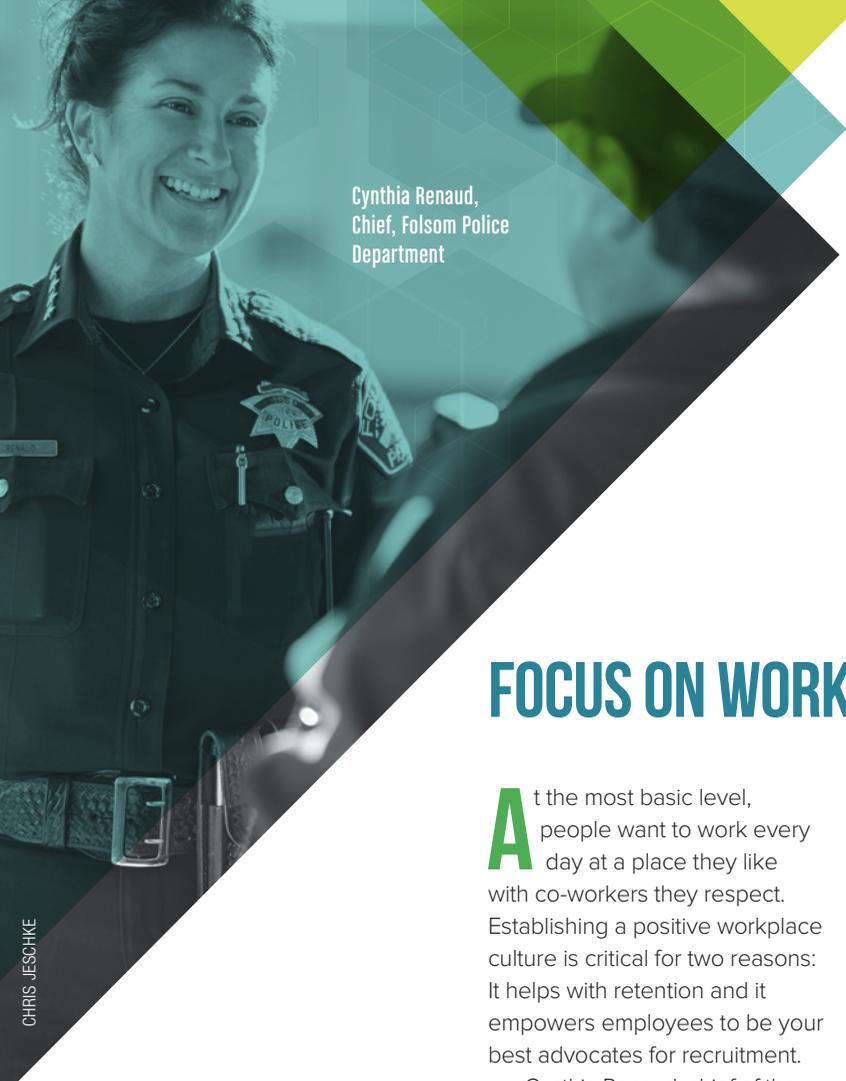
Agencies also should consider ways to generate savings for employees. One approach is to provide Section 125 health plans (Flexible Spending Accounts — FSAs) to create tax savings, since the money deducted from employee earnings and deposited into an FSA isn't subject to payroll taxes. And employee wellness plans, which reduce the need for costly health care interventions, can benefit both employees and employers. Studies show employers save \$3 for every \$1 invested in wellness programs over a three-year period.⁵

Johnny Castro, the national public sector practice leader for Colonial Life, says all of these strategies can help government agencies reduce benefits costs and become better stewards of taxpayer dollars.

“Public sector agencies must explore all their options,” he says. “If not, I foresee a lot of government-funded plans and administrations that are not going to meet their fiduciary responsibilities and those tax dollars are not going to be managed accordingly.”

At the same time, benefits modernization helps agencies address employee recruitment and retention challenges.

“Public sector agencies need to maximize their existing benefits plan,” Vermette says. “Look at any ways you can save money there, because whatever you save is going to allow you to be more competitive with your offering.” ♦



Cynthia Renaud,
Chief, Folsom Police
Department

CHRIS JESCHKE

“The majority of my police officers are happy here, and when they talk to friends back at their old agencies and other agencies around them, the reputation of this police department as a good place to work is spreading.”

**Cynthia Renaud, Chief,
Folsom Police Department**

FOCUS ON WORKPLACE CULTURE

At the most basic level, people want to work every day at a place they like with co-workers they respect. Establishing a positive workplace culture is critical for two reasons: It helps with retention and it empowers employees to be your best advocates for recruitment.

Cynthia Renaud, chief of the Folsom Police Department in California, says her department’s culture is one of its best recruiting tools.

“The majority of my police officers are happy here, and when they talk to friends back at their old agencies and other agencies around them, the reputation of this police department as a good place to work is spreading,” she says.

The department promotes work-life balance by not overburdening officers with mandatory overtime and by fostering a culture where officers feel valued and that their voices are heard — all in an affordable, safe community with great schools and amenities where they can raise their family.

“There is a culture in this organization where the people who work here and those who

work closely together, they trust each other; they like each other; they know they’re supported by the leadership team of this organization; and they’re happy coming to work pretty much every day. And I have to tell you that is unique in a police department,” Renaud says.

Happy employees are powerful recruiters because people tend to trust the recommendations of friends, former colleagues and family members. Recruiting can be a time-intensive and laborious process, but if employees share their experiences with others in the community, it could help agency leaders find workers that may have never made it onto their radar, and connect skilled workers with opportunities they may have never considered.

“Agencies must really pay attention to their current workplace culture and what they’re doing to keep their employees happy, because with referrals, the best thing they can do is have an employee group who is going to turn around and say, “You should come work here. This is a great place to be,” says Wyatt of ELGL. ◆

OFFER FLEXIBLE WORK SCHEDULES

Many of the government leaders we interviewed say work-life balance is critical to today's workers, especially millennials. The Governing Institute survey echoed this point, as many officials said it was the third-most important factor for recruitment and second for retention.

Several government leaders say schedule flexibility is a part of their offerings. Hennepin County increased its paid parental leave to three weeks a year. In Virginia, employees have the option (depending on the agency) to work 10-hour shifts, four days a week, while nursing mothers can do 12-hour shifts, three days a week.

Rechs says focusing on work-life balance helps his city compete with Silicon Valley firms.

"We're finding folks don't want to work 60 or 70 hours a week. With the very high standard of living in Silicon Valley, people can't afford homes and they commute long distances," he says. "Here, you get leave; we have vacations; and we promote a healthy work-life balance. We insist you take vacations and recharge a little bit, so that's how we compete." ♦



“We’re finding folks don’t want to work 60 or 70 hours a week. ... Here, you get leave; we have vacations; and we promote a healthy work-life balance.”

Dave Rechs, Deputy Secretary of Human Resources, GovOps

LEVERAGE TECHNOLOGY & SOCIAL MEDIA

As older workers retire, recruiting a younger workforce will be critical for agencies to future-proof their business.

Chief Renaud says her department recruits this demographic by leveraging technology throughout the hiring process. When she joined the force more than two decades ago, Renaud said it took eight months to complete the hiring process. That approach isn't sustainable today.

"These kids do not want to sit around for eight months and wait to find out if they're going to get a job. They don't want to wait and check their mailbox every day for a letter that has been put in the mail with a stamp on it that tells them if they passed a test or not. They want consistent, constant communication during the hiring process," she says.

The Folsom Police Department now texts its applicants, emails their results and communicates with them at least once a week to keep them engaged in the hiring process.

The state of California also launched an innovative pilot program with LinkedIn that includes 10 departments. The state targets qualified applicants in the region for health care, cybersecurity, data analytics and other challenging-to-fill jobs and serves them an advertisement when they log in to their profile that says, "Come work for the State of California," and details the requirements for the specific role. The state has point

people that applicants can contact who will help them set up an account on its employment portal and apply and take hiring exams. Rechs says the pilot, which is still in its early stages, will provide the state access to high-quality data and metrics.

"Just using the LinkedIn platform, we'll be able to answer, 'How abbreviated is the hiring process with this new method?' 'Are we getting more quality applications?' 'How long does it take for a person to apply and to actually get them working and sitting in that seat on day one?'" he says.

And while social media can be an effective recruiting tool, agencies shouldn't forget about their websites. The state of California revamped its hiring website to make job descriptions and titles easier to understand, Rechs says.

Wyatt of ELGL also says it's important for agencies to look at their job classifications, job titles and their website and make sure they reflect the needs and sensibilities of a modern workforce.

"First and foremost is that organizational assessment piece. It's recognizing the image you're presenting today on your website — whether you're advertising for a seasonal parks worker or a planning director — at every single

level, and sending a message about the vision and values of your agency," Wyatt says. "If you have not spent some time thinking about that and then evaluating what that looks and feels like, you're already behind the times."

Reichenberg says agencies also need to do a better job of marketing themselves to millennials, and more clearly tout the growth opportunities available in government.

"When they're [agencies] now recruiting, I think what they are looking at is to say, 'Can we sell the mission of government? Come and work for us and make a difference in your community and make a difference in your state,'" Reichenberg says. "In particular with millennials, from surveys, they seem to be more driven by wanting to make a difference. Can you emphasize that, and get people to recruit? I think you're seeing some movement in that direction, and you're also seeing some agencies asking, 'Can we give people an opportunity to learn and grow with us? Can we develop people?'"

"Government needs to do more shameless self-promotion," Reichenberg adds. "I don't think government does a good job of selling that, 'You can come here and if you want to have three different careers, you can probably do it.'" ♦

THE FOLSOM POLICE DEPARTMENT TEXTS ITS APPLICANTS, EMAILS THEIR RESULTS AND COMMUNICATES WITH THEM AT LEAST ONCE A WEEK TO KEEP THEM ENGAGED IN THE HIRING PROCESS.

CONCLUSION

In a way, the public sector's recruitment and retention challenges are issues every employer faces. How to attract and keep the best talent, how to create a positive workplace culture and how to prepare for the future are important questions employers must ask themselves.

But it appears that some agencies are beginning to answer these questions. Whether it's a laser-like focus on training and career development, leveraging technology and social media to reach the best candidates, or modernizing benefits, agencies are experimenting and testing, and using data and feedback along the way.

But what this all comes down to is managing risks, says Nancy Rodrigues, Virginia's secretary of administration. Agencies need to find out where they're most vulnerable and develop an effective workforce strategy around each of these vulnerabilities.

"Yes, we have more on-the-job training and more classroom training, but we've got to manage the risk first," Rodrigues says. "If you know what your risk is you can manage it. If you just float along and don't pay attention, it can overwhelm you and you won't be ready. Know where your risk is, identify it, have a strategy to address it and then make sure you execute, follow through and stay on top of it."

Carey Adamson, national public sector practice leader for Colonial Life, says it's also about government's willingness to accept change.

"Government leaders must be open to stepping away from the status quo," he says. "Budgets are a challenge, so they must be as innovative as possible in their strategies to recruit the next generation of talented and skilled employees." ♦

ENDNOTES

1. "Public Sector Benefits," Governing Institute Survey underwritten by Colonial Life, March 2017
2. "Competing for Talent: The Role of Succession Planning," Center for State and Local Government Excellence webinar, Oct. 17, 2017, <https://slge.peachnewmedia.com/store/seminar/seminar.php?seminar=100082#blank>
3. "Fueled by Aging Baby Boomers, Nation's Older Population to Nearly Double in the Next 20 Years, Census Bureau Reports," May 6, 2014, <https://www.census.gov/newsroom/press-releases/2014/cb14-84.html>
4. "Colonial Life white paper points path to more effective benefits enrollments," Dec. 1, 2014, <http://www.coloniallife.com/newsroom/news-releases/new-white-paper-points-path-to-more-effective-benefits-enrollments>
5. "Containing Health Care Costs: Proven Strategies for Success in the Public Sector," 2011, www.gfoa.org/sites/default/files/GFOAContainingHealthCareCosts.pdf

PRODUCED BY:

GOVERNING INSTITUTE

The Governing Institute advances better government by focusing on improved outcomes through research, decision support and executive education to help public-sector leaders govern more effectively. With an emphasis on state and local government performance, innovation, leadership and citizen engagement, the Institute oversees Governing's research efforts, the *Governing* Public Official of the Year Program, and a wide range of events to further advance the goals of good governance.

www.governing.com

SUPPORTED BY:


The benefits of good hard work.®

Colonial Life & Accident Insurance Company is a market leader in providing financial protection benefits through the workplace, including disability, life, accident, dental, cancer, critical illness and hospital confinement indemnity insurance. For more than 60 years, they've been providing financial protection to the public sector. Today, they serve nearly 550,000 public sector employees in more than 5,000 local governments, 41 state governments and 3,000 education agencies.

For more information, visit www.coloniallife.com or connect with the company at www.facebook.com/coloniallifebenefits, www.twitter.com/coloniallife and www.linkedin.com/company/colonial-life.

Colonial Life is a registered trademark and marketing brand of Colonial Life & Accident Insurance Company.

Insurance products are underwritten by Colonial Life & Accident Insurance Company.