# Becoming an Employer of Choice in the New World of Work – and Why It Matters

# What We'll Cover

- **The new world of work**

- **The challenge of attracting and retaining talent**

- **The response – become a great place to work**

- **Why the workforce matters to government's bottom line:  groundbreaking new research**

# Key Takeaways

- **Organizations must adapt to the new world of work**

- **To become an employer of choice – a great place to work – build employee engagement**

- **Effective HR practices drive resident satisfaction**

# The New World of Work

# New World of Work

Changed employee expectations – flexibility, voice, wellbeing

Employees re-evaluating priorities → intense competition to attract/retain talent

Remote vs. on-site (front-line) employees have different needs and expectations – but all want flexibility

Dramatic demographic changes

# Flexible Work Practices – S/L Government



MissionSquare Research Institute
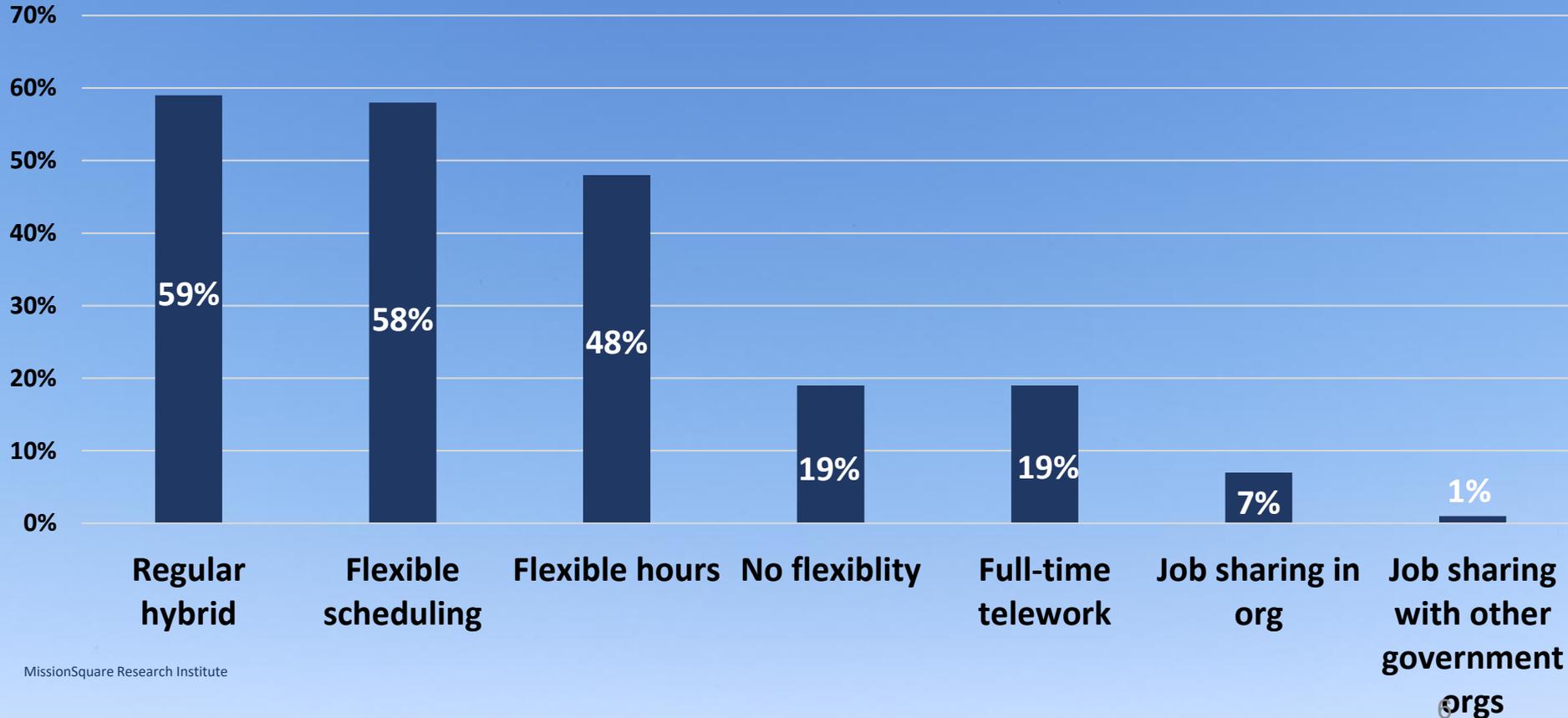
# Globally, the top priority for CEOs is …

Conference Board, C-Suite Outlook, Manpower Group

**42% of global employees: employers not meeting their needs[1]**

**53% considering new opportunities[2]**

[1] Mercer Global Talent Trends; [2] Great Place to Work, Revolutionizing Employee Retention
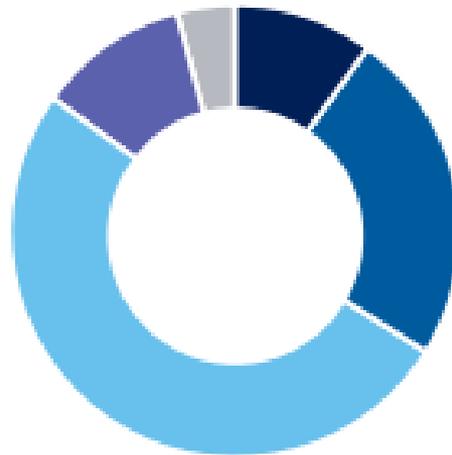
# U.S. WORKER SHORTAGE 2025-2032

6.5 million - 8.5 million **WORKER SHORTAGE**

# Governments Struggling to Hire

Figure 14: **In the past year, how often did an insufficient number of qualified applicants require recruitments to be reopened?** (n = 339)

NOTE: Due to rounding, subtotals cited in the text may vary.

- 10% Very frequently
- 24% Somewhat frequently
- 51% Occasionally
- 11% Never
- 4% Don't know

MissionSquare Research Institute

# And Struggling to Retain

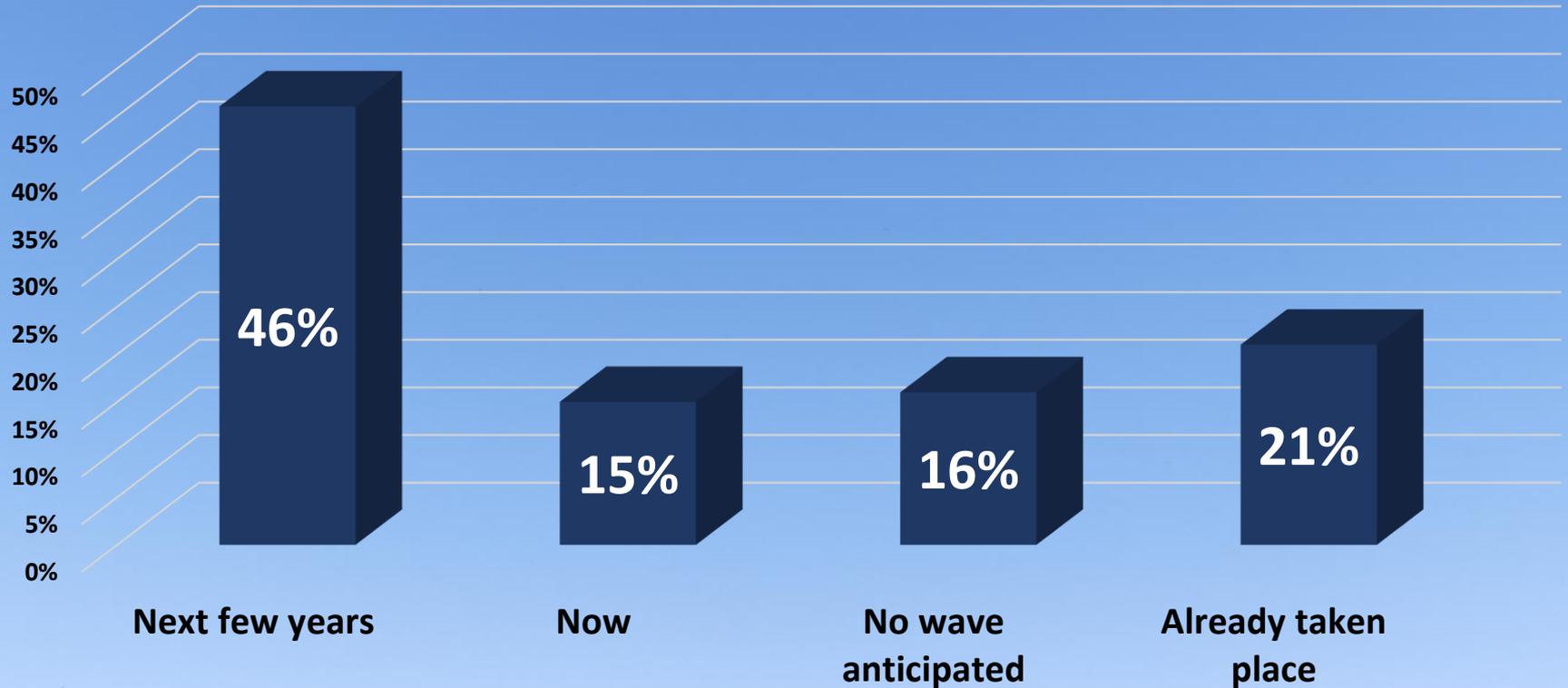*"60% of nonprofit, government and education leaders say talent retention is their toughest challenge for 2026"*

**S/L government:**

- **377K vacancies**

- **Only 120K hires**

**Ratio of vacancies/hires**

- **Private sector:  1.43**

- **S/L government:  3.14**

# S/L Government Retirement Wave



- Next few years: **46%**
- Now: **15%**
- No wave anticipated: **16%**
- Already taken place: **21%**

To Be an Employer of Choice …

… Build Employee Engagement

# How Do You Define Engagement? In a Few Words

# Why Does Engagement Matter?

OPEN

**Top Pet Insurance For Your Dog**

Search Top Pet Insurance For Your Dog Today. Custom Options For You.

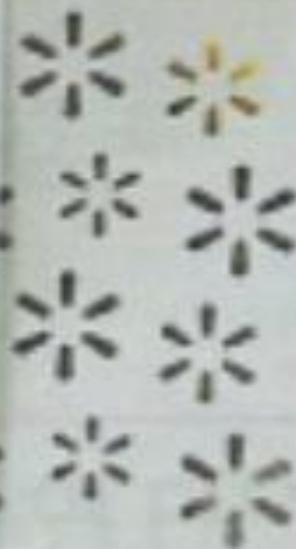**This cat is just pretending to be a dog for the health insurance. We've seen it a million times.**

# Engaged Employees Create Great Places to Work

| KPIs | Employees say … | Great Place to Work-Certified Organizations | U.S. Average |
|---|---|---|---|
| Productivity | Are given resources needed to do job | 81% | 52% |
| *Recruiting* | *Promote their organization to family and friends* | *86%* | *54%* |
| *Retention* | *Plan to work there for a long time* | *84%* | *55%* |
| Service | Provide excellent customer service | 89% | 66% |
| Agility | Organization moves fast and innovates | 82% | 49% |

Great Place To Work® Certified 2025 USA

# Engaged Employees in Government:

- 10 times more likely to believe organization is achieving mission

- Twice as likely to believe they influence cost savings

- 3 times more likely to say they influence customer service

- 3 times more likely to stay with the organization

- 4 times as likely to say their mental health is good or very good

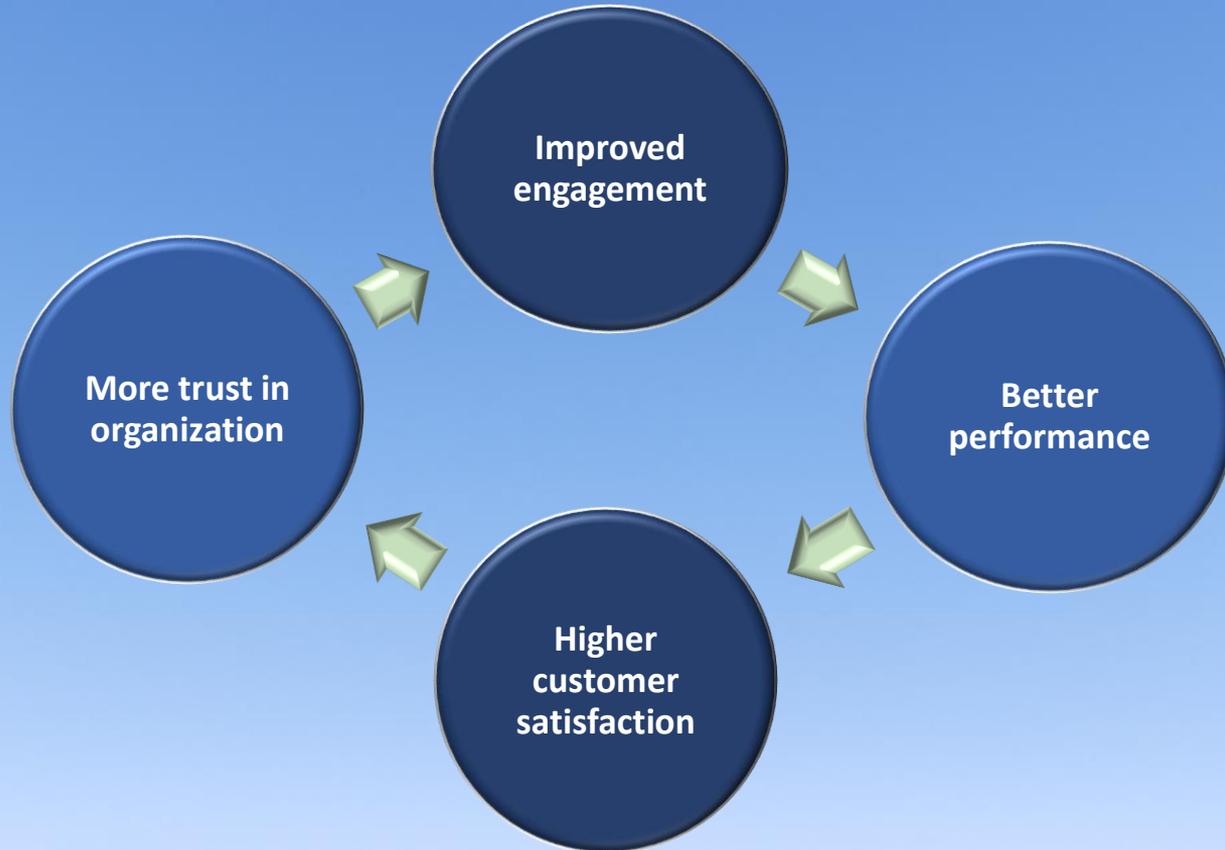Institute for Public Sector
Employee Engagement
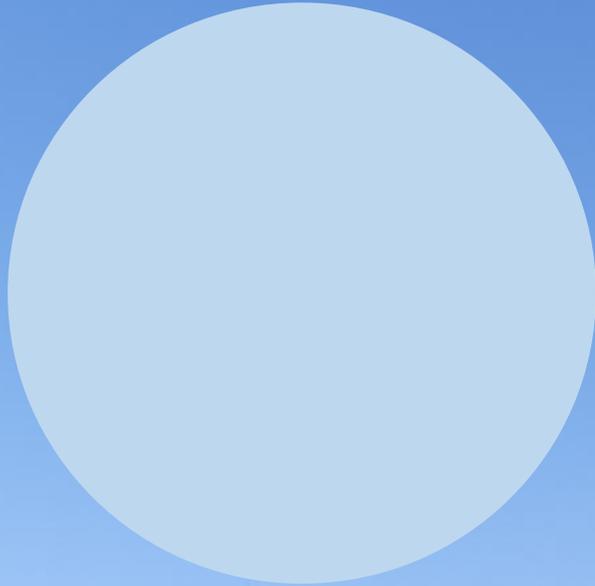
# Recruiting:  Great Places Attract Talent

**"Engaged cultures will attract people from outside the organization who want to join. What happens internally goes external pretty quickly."**

# Engagement Value Chain

# Engagement Levels

Globally, disengaged employees represent *$8.9 trillion* in untapped productivity

Gallup,
Institute for Public Sector Employee Engagement

# Discussion – Why is Engagement Low?

# "Free pizza and Coke on a Friday afternoon is not an engagement strategy"



# "It requires more than fun perks"

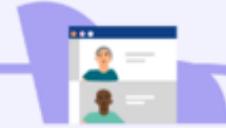# The Employee Experience – Moments That Matter



Attraction

Recruitment

Interviewing

Onboarding

Recognition

Retention

Development

Engagement

Offboarding

Separation

Alumni

28

# Positive Employee Experience: The Business Case



BUSINESS OUTCOMES

2.4x more likely to **delight customers**

5.2x more likely to be a **great place to work**

INNOVATION OUTCOMES

3.7x more likely to **adapt well to change**

2.2x more likely to exceed **financial targets**

5.1x more likely to create a **sense of belonging**

5.1x more likely to **engage and retain employees**

4.3x more likely to **innovate effectively**

PEOPLE OUTCOMES

Josh Bersin

# Why HR Matters – New Research

# What Does the Research Show About HR's Impact on Business Outcomes?

## Private Sector

"We found relationships between HR management effectiveness and <u>productivity, cash flow and market value</u>"

Huselid, Mark A.; Jackson, Susan E.; and Schuler, Randall S., "Technical and Strategic Human Resource Management Effectiveness as Determinants of Firm Performance," Academy of Management Journal, 40:1, pp. 171-188, 1997

"Measures of accounting <u>profits or cash flow</u> were on average in firms having HR practices one standard deviation above the mean on dimension such as HR effectiveness"

Gerhart, Barry; Wright, Patrick M.; McMahan, Gary C.; and Snell, Scott A. "Measurement Error in Research on Human Resources and Firm Performance: How Much Error is there and How does It Influence Size Estimates?" Personnel Psychology, 2000

"Companies in the top quartiles of EX developed more successful innovations, <u>deriving twice the amount of revenue</u> from their innovations as did those in the bottom quartile"

Yohn, Denise Lee. "Engaged Employees Create Better Customer Experiences." Harvard Business Review, April 5, 2023

# What Does the Research Show About HR's Impact on Business Outcomes?

## Public Sector

?

# Background

**Research question – Do effective HR practices positively affect residents' satisfaction with quality of government services, confidence in government, and quality of life in the community?**

**Research partners:**

- **UKG**
- **Polco (National Community Survey)**
- **Barrett / Greene**

# Methodology

- **Focus group of HR directors to help develop survey**
- **72-item survey to assess HR policy and practice effectiveness**
- **Questions – HR mission and policies, recruiting and hiring, retention, training and development, technology, data, performance management, grievances, comp and benefits, workforce and succession planning, working conditions, employee wellbeing, diversity and labor relations**
- **Surveyed municipalities where Polco had conducted NCS 2022-24**
- **52 responses**
- **Scored each survey response 0-100**
- **Analyzed HR scores against Polco resident ratings (also 0-100)**

35

# Results

**Statistically significant positive correlations between specific HR practices and resident satisfaction**

| | Municipal Customer Service | Quality of municipal services | Confidence in municipal government | Quality of life in the community |
|---|---|---|---|---|
| **Employee performance management** | ★ | ★ | ★ | ★ |
| **HR staff capability** | ★ | ★ | ★ | ★ |
| **Employee well being** | ★ | ★ | ★ | ★ |
| **Recruiting and hiring** | ★ | ☆ | | ★ |
| **Compensation and benefits** | ★ | ☆ | | |

The Effective Practices

# 1. Performance Management

**Ongoing communication between manager/supervisor and employee to accomplish organization's strategic objectives**

- **Include limited number of goals linked to strategic goals**

- **Conduct periodic evaluations and monitor compliance, but also provide more frequent performance check-ins**

- **Conduct stay chats/interviews**

- **Deal with poor performance / discipline issues, especially during probation**

- **Recognize superior performance**

*"How can I, as your supervisor, better enable you to carry out your mission? Is it education? Training? Direction? Or is it just staying out of your hair?"*

**Leaders Drive Engagement**

**Give leaders the training, tools, guidance needed to support their teams**

# 9 leadership behaviors that create great places to work



Listening is the most important behavior because great listeners will develop the other critical behaviors. AZMANL VIA GETTY IMAGES

By Bob Lavigna, Senior Fellow of Public Sector, UKG

**COMMENTARY** | Creating a great place to work requires a culture of trust, and leaders who master these nine behaviors will create that culture and more successfully attract and retain talent.

**ROUTE FIFTY**

Connecting state and local government leaders

WORKFORCE    LEADERSHIP    MANAGEMENT PRINCIPLES

# Leadership Behaviors in Great Workplaces

# Value and Recognition

**When employees believe they will be recognized, they are <u>2.7</u> times more likely to be highly engaged**

Quantum Workplace
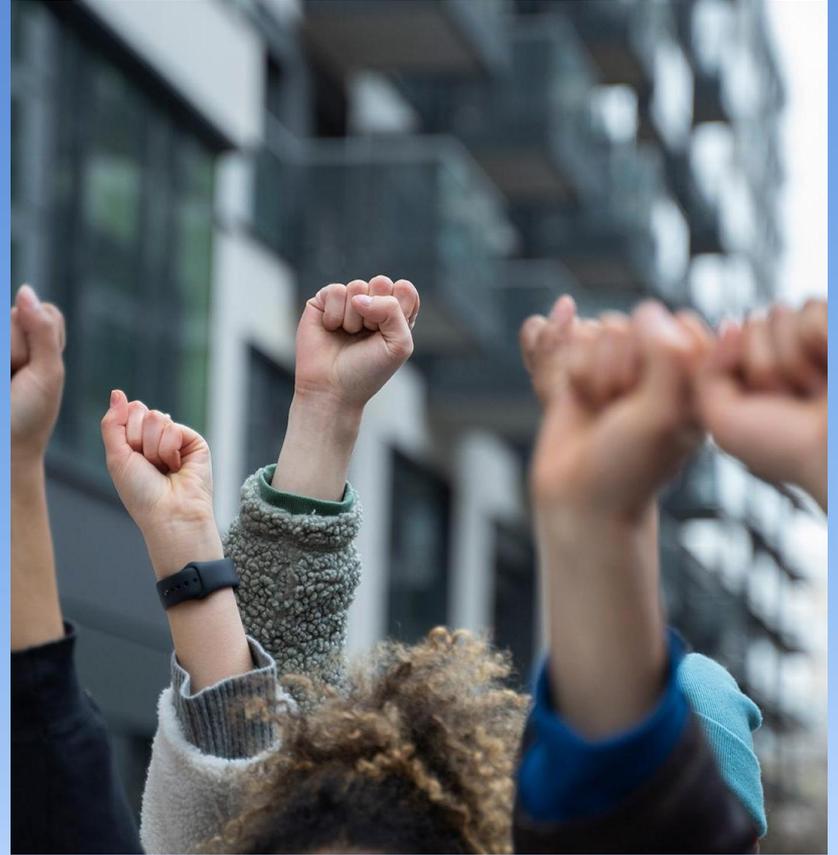
# Recognition "Without Spending a Dime"

- **Recognize employee achievements at staff meeting**

- **Surprise employee with Post-it note of thanks**

- **Put thank-you note on department bulletin board**

- **Compliment employee within earshot of others (and word will spread)**

# Recognition "Without Spending a Dime"

- **Mail handwritten note to employee's home**

- **Send department-wide email praising employee or team**

- **Start meetings by recognizing employees and ask employees to recognize each other**

- **Pull employee aside and ask for her/his opinion**

# 2. Employee Wellbeing

**No longer a "nice to have" – prioritize employee mental health, physical wellness, financial literacy, work-life balance**

- **Offer comprehensive, well-publicized and easily accessible EAP with wellness and financial literacy programs (e.g., wellness coordinator)**

- **Reward employees for preventative health**

- **Offer flexible work arrangements**

*"Happy employees do a better job than disgruntled employees.*
*And if they're happy about what they're doing,*
*then that's going to result in happy residents."*

The U.S. Surgeon General's Framework for

# Workplace Mental Health & Well-Being

**76%** of U.S. workers reported at least one symptom of a mental health condition.

**84%** of respondents said their workplace conditions had contributed to at least one mental health challenge.

**81%** of workers reported that they will be looking for workplaces that support mental health in the future.

**"We can build workplaces that are engines of well-being, showing workers that they matter, that their work matters, and that they have the necessary resources and support to flourish"**

# Wellness Support Dashboard

# 3. HR Capability

**High-performing HR departments with staff members who have the tight motivation, attitude, skills, education and experience**

- Understand competencies and strengths of HR staff

- Devote time and resources to training and development

- Fund and support certifications, training (e.g., conflict resolution), cross-functional learning, staff rotations

- Deliver onboarding that connects HR staff to mission and strategy

*"Every member of HR, at one time or another, visits departments to help with HR questions and be the face of HR to other parts of the organization"*

*"There's an opportunity for our people to get exposed to all aspects of HR"*

# 4. Recruiting and Hiring

**Streamlined process, positive branding, mobile-friendly applications and communicating with applicants throughout the process**

- **Aggressively market and brand jobs as opportunities for purpose, fulfillment**

- **Eliminate degree and experience requirements, focus on skills and OJT**

- **Monitor time-to-hire and hire quality – and then act**

- **Apply technology**

- **Communicate about process**

*"We put the dates of everything, from the written test to the physical test to the interview in the posting. That way, candidates know to set aside time, and they know exactly when we know we're going to hire."*

# Government Needs a Branding Makeover
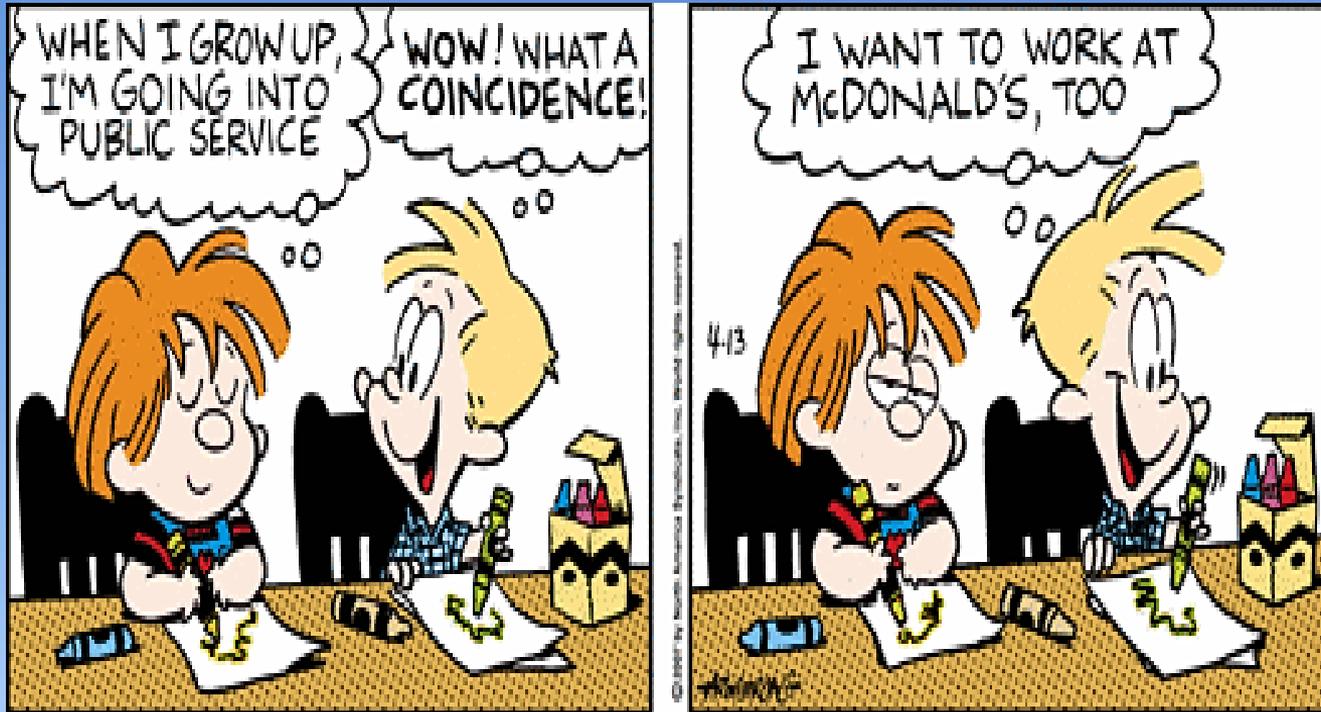


"Recruiting Talent into Government:  Ditch the Jargon and Focus Instead on Purpose and Meaning"

# What Job Seekers Want

- **Jobs posted on job boards – with appealing descriptions**

- **Apply in 30 minutes or less – on handheld device**

- **Confirmation in one day**

- **Follow-up in two weeks**

- **Self-schedule interviews**

Employ, "Examining Employer and Job Seeker Realities in the Current Job Market"
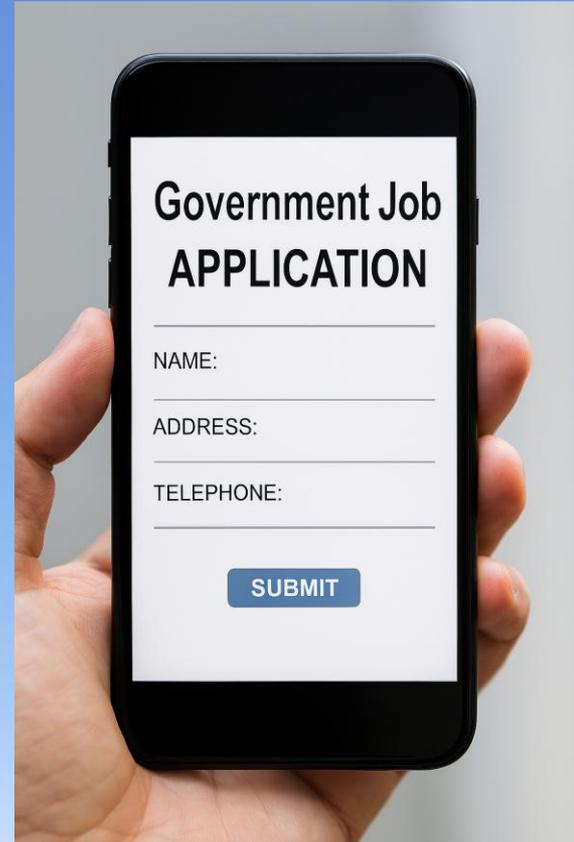
# Job Ads

**This?**

- **39 job responsibilities and 23 requirements**

- *Include, but not limited to, stooping, kneeling, crouching, squatting, twisting, crawling, and lifting. Required to use hands to finger, handle, or feel objects. The employee is frequently required to stand, walk, sit, reach with hands and arms, climb, or balance. The position is required to be exposed to darkness.*

**Or This?**

*"Join our dynamic team and be part of an organization that values your unique talents. Experience a fulfilling career where you can make an impact and thrive alongside a community of like-minded individuals. Take advantage of this incredible opportunity."*

# Definitely Not This!

Provides assigned departments/agencies with advice and guidance to facilitate the development of their respective annual budget; interprets budget guidelines and instructions formulated and disseminated by the Bureau, assist in the development of meaningful and realistic program goals, objectives and workload outputs consistent with the department/agency mandated missions; scrutinizes department/agency budget request for accuracy and consistency with established guidelines; prepares analysis and recommends realistic funding levels consistent with executive policies and priorities, attends legislative budget hearings to support the department/agency budget request on the Bureau's behalf. Prepares impact analysis of department/agency budget appropriations approved by the Legislature for the Governor's consideration develops appropriation and control records of authorized funds; interprets executive policy and legislative intent pertaining to the use of appropriations, expenditure funding, transfer of funds to departments/agencies. Reviews federal grant applications for compliance with state clearinghouse regulations; evaluates and makes recommendations on the need for requested program based on territorial state plans and priorities; coordinates with planning agencies in the review of grant applications; monitors grant awards and maintains budgetary control records. Monitors capital improvement project; insures compliance with established policies and requirements governing and processing and expenditure of funds. Reviews, analyzes, and recommends approval or disapproval of department/ agency requests for personnel actions, travel authorizations in accordance with executive policies. Prepares legislative testimony for the Director or Governor as assigned. Prepares budget narratives to reflect supporting analytical presentations. Conducts analysis to determine the most economical method of obtaining services (i.e. lease vs. purchase). Analyzes department's organization, mission or functions and makes appropriate recommendation on methods to achieve effectiveness, efficiency, and economy of operations. Analyzes existing or proposed functional charts to detect and eliminate duplication of functions in organizational units and to clarify organizational relationships. Reviews proposed organizational changes relative to consolidation, addition, deletion of transfer or organizational units to determine budget and/or programmatic impact. Performs management analysis of governmental organization to ensure efficiency in operations and resource allocation. Prepares revenue and expenditure projections. Assist in the development of guidelines for policies established by Executive Order or Legislative mandates. Analyzes and updates BACIS records affecting assigned departments/agencies. Reviews financial statement/reports to ensure expenditures are in consonance with established policies. Reviews and comments on proposed legislation; writes up proposed legislation to address assigned department/agency needs. Coordinates research, management studies and special projects. Represents the Bureau at Legislative Budget Hearing to answer queries by Senators on budget related matters. Performs related duties as required.

# Actual Employee Reviews – These?

indeed                                        glassdoor

1.0    Horrible Department              1.0    Very stressful and unfair environment
★☆☆☆☆                                  ★☆☆☆☆

1.0    Miserable Place to Work          1.0    Not a good place to work at
★☆☆☆☆                                  ★☆☆☆☆

        1.0    Join for the mission and leave because of management
        ★☆☆☆☆

# Or These?

**indeed**                    **glassdoor**

5.0  i loved it!                          5.0  Great environment and people
★★★★★                                        ★★★★★

5.0  Perfect Place to Work           5.0  Love working here
★★★★★                                   ★★★★★

5.0  Fun management                  5.0  Great agency
★★★★★                                   ★★★★★

5.0  Working with people who are as passionate as I am
★★★★★

**59% of job seekers would not *apply* to an organization with a bad reputation – <u>even if they were unemployed!</u>**

# Interview Self-Scheduling



**Candidate chooses any open interview time slot**

# Expand Talent Pipelines

**Where feasible, assess candidates based on skills and abilities, not academic qualifications or years of experience**

**Mine the workforce to find critical skills in unexpected places**



RETAIL · RETAIL

## Costco's CEO started his career as a forklift driver. Now he's leading a $254 billion giant rising up the Fortune 500
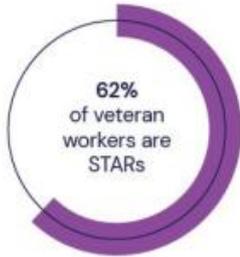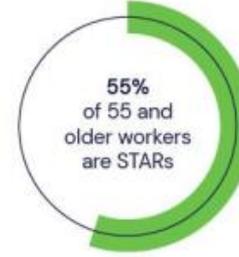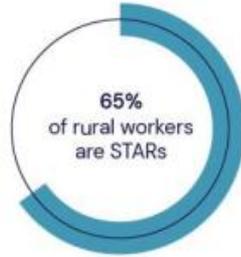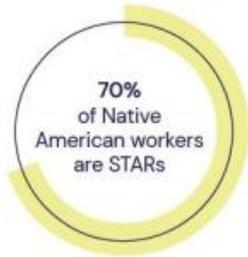
By Marco Quiroz-Gutierrez
Reporter

June 4, 2025, 6:07 AM ET

Add us on G

# "STARs" – Skilled Through Alternate Routes
## Screening Out STARs Limits Diversity



62% of Black workers are STARs

54% of Hispanic workers are STARs

50% of female workers are STARs

62% of disabled workers are STARs

70% of Native American workers are STARs

65% of rural workers are STARs

55% of 55 and older workers are STARs

62% of veteran workers are STARs
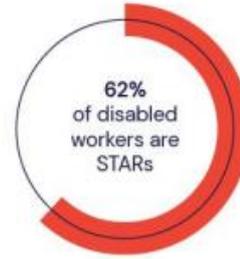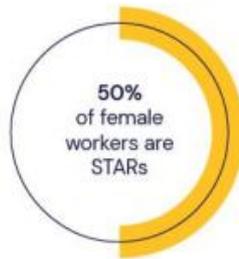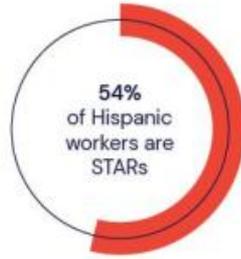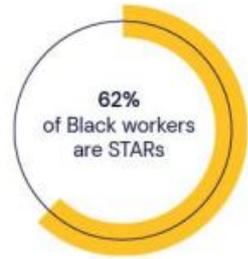
# Skills-Based Organizations Thrive



**98% MORE LIKELY:**

**Have a reputation as a great place to work**



**98% MORE LIKELY:**

**Retain high performers**

# New Employee Onboarding

**PRINCIPLES**

| **Align** to mission and vision | **Connect** to culture, strategic goals and priorities | **Integrate** across process owners | **Apply** to all employees |
|---|---|---|---|

**ROLES**

| + PROCESS OWNERS | + PROCESS CHAMPIONS | + EMPLOYEE |
|---|---|---|

**PROCESS PHASES AND KEY ACTIVITIES**

| BEFORE FIRST DAY → | FIRST DAY/ORIENTATION → | FIRST WEEK → | FIRST 90 DAYS → | FIRST YEAR → |
|---|---|---|---|---|
| • Extend personal welcome to employee<br>• Communicate first day logistics to employee<br>• Send paperwork in advance and/or online portal access<br>• Prepare for employee | • Focus on sharing the mission and values<br>• Incorporate senior leadership<br>• Orient employee to organization and office norms<br>• Introduce employee sponsor<br>• Meet immediate requirements for employment | • Ensure direct managerial involvement<br>• Set performance expectations and job scope<br>• Assign meaningful work<br>• Communicate resources or networks required for work | • Provide essential training<br>• Monitor performance and provide feedback<br>• Obtain feedback through new hire survey and other means | • Recognize positive employee contributions<br>• Provide formal and informal feedback on performance<br>• Create employee development plan |

**OUTCOMES**

| High employee **job satisfaction** level | **Retention** of high-performing employees | Continued **employee engagement** and commitment | Faster time-to-**productivity** |
|---|---|---|---|

# New Employee Onboarding Guide



A DEFINITIVE GUIDE FOR ONBOARDING NEW PUBLIC SECTOR EMPLOYEES

CREATING A LASTING **impress**ion

By Robert J. Lavigna, IPMA-CP
Assistant Vice Chancellor & Director of Human Resources
University of Wisconsin-Madison

**IPMA-HR**
INTERNATIONAL PUBLIC MANAGEMENT
ASSOCIATION for HUMAN RESOURCES

# 5. Compensation and Benefits

**Regular market surveys, total compensation value, structures adjusted to avoid pay compression**

- **Design comp/benefits to respond to generational needs**

- **Provide new employees with immediate vacation and sick leave banks**

- **Calculate and communicate total comp**

- **Regularly assess pay equity**

- **Provide hiring and retention bonuses**

- **Simplify classification systems**

*"Our classification system was reformed to reduce 16 steps to 8. This can reduce the turnover of young employees who do not see the value retirement benefits. Research pointed out the importance of keeping a new employee for four years, which exponentially increased the odds they wouldn't leave."*

# Why This Research Matters

- Groundbreaking empirical evidence that HR influences government's "bottom line"

- HR not just a back-office operation

- Bolsters the argument – to leaders – that the workforce is an asset to invest in, not a cost to be reduced or controlled

- Identifies HR areas that positively impact residents and communities

- Shows why local governments should survey their residents

*"The HR team is all about service and we provide that service to the employees so they feel cared for, and it flows from them ot the residents"*
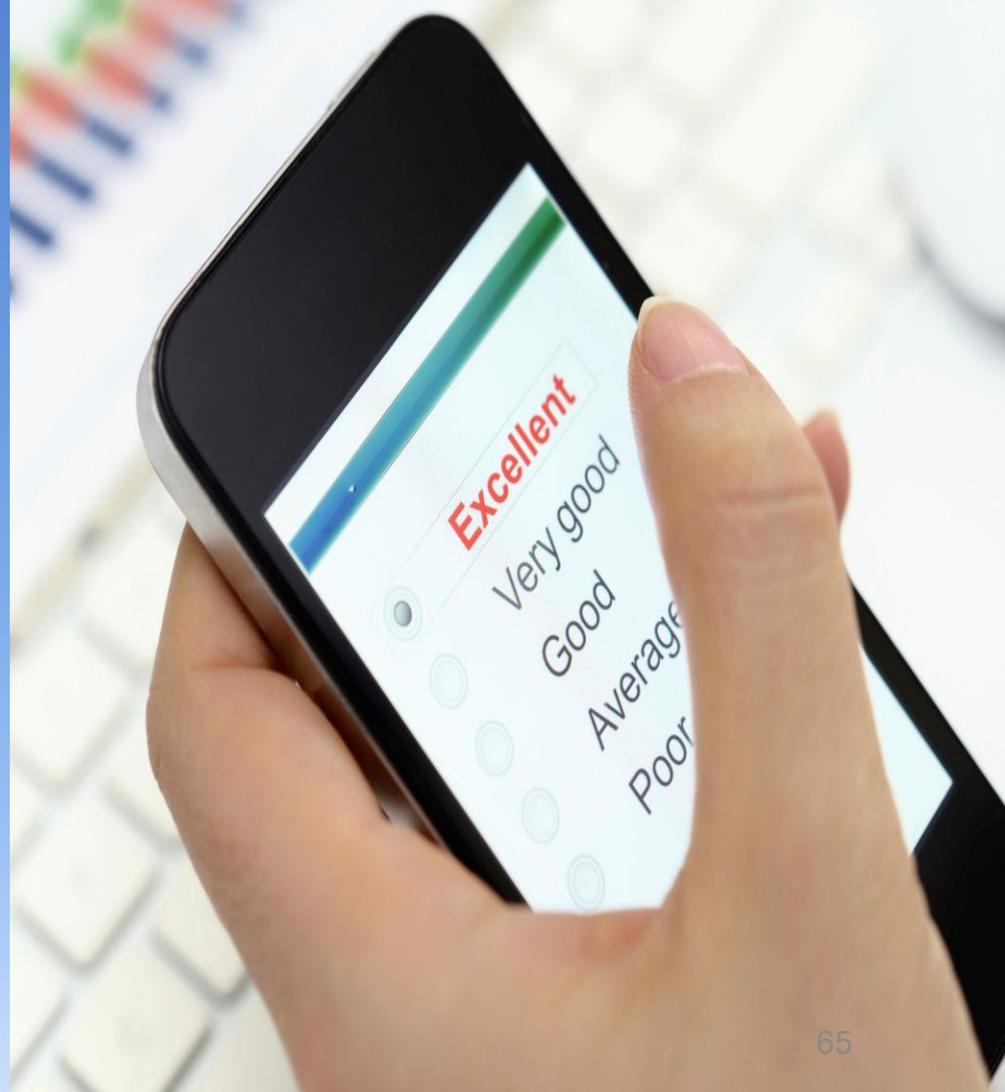
"Tell me what you know, not what you think"

"If that's just your opinion, it's worth nothing"

# Give Employees a Voice – *and* Listen

**Regularly ask for input from your employees – and then act**

# Takeaways

- **Adapt to the new world of work**
- **To become an employer of choice – a great place to work – build employee engagement**
- **Build engagement by delivering a positive employee experience**
- **Drive engagement and resident satisfaction with effective HR practices**
  - **Performance management**
  - **Recruiting and hiring**
  - **Employee wellbeing**
  - **HR capability**
  - **Compensation and benefits**

FORTUNE

100 Best Companies to Work For

# For More Information

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**Let's connect
on LinkedIn**