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HR Survey Series:

The Future of Public Sector Talent Management

Geralyn Gorshing,
Director of Marketing & Business Development
ggorshing@cpshr.us
Main: 916.263.3600
Direct: 916.471.3373

M. Hertneck, Senior Marketing Analyst
S. Dawson, Marketing Assistant

CPS HR Consulting
100 Congress Avenue, Suite 2000
Austin, TX 78710

241 Lathrop Way
Sacramento, CA 95815
www.cpshr.us



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CPS HR Consulting is an innovative, client-centered human resources and management consulting firm specializing in solving the unique problems and challenges faced by government and non-profit agencies. As a self-supporting public agency, we understand the needs of public sector clients and have served as a trusted advisor to our clients for more than 75 years. For more information, visit our website at www.cpshr.us.

The year is 2030...



What will talent management in the public sector look like in 15 years?

CPS HR Consulting invited participants from a cross-section of local and state public sector agencies to play a game with us. We asked them to use their imagination based on their experience in the public sector and speculate on changes that would likely occur in talent management and the workplace of the near future. We gave them the following scenario:

The year is 2030 and you are an industry reporter following talent management in the public sector. You are well known for your insightful articles over the last 15 years on employee engagement and workplace culture, recruitment, and how human resource departments work in government agencies.

Our participants were presented a series of statements in four focus areas and asked to choose three statements from each area that they thought were most likely to occur by 2030. These statements were based on input from subject matter experts and centered around:

- Human Resources departments and process
- public sector recruitment
- employee engagement and development
- workplace culture

Participants were then asked to estimate the degree of probability that the statements they selected were likely to occur and to comment on three of those statements in the following manner:

- why they thought this change would occur
- the challenges that might occur as a result of the change
- recommendations on how best to prepare for the change

Our participants took up the challenge. We received responses from 237 management and non-management personnel working in city, county and state agencies as well as special districts and authorities.¹

What follows are your colleagues' greatest concerns around the forces of change that are impacting their agencies, the specific changes they anticipate, and recommendations on how to adapt and thrive in the new workforce environment. We encourage you to review the results with an eye on how these changes will affect your workforce and how best to prepare as public sector talent management evolves.

¹ See Appendix A for demographic information.

Forces of Change



Change typically doesn't occur by chance. Economic, social, technological and political changes are occurring around us that produce changes in the workscape. Our participants recognize these forces and were most concerned about the following external factors affecting change in talent management:

Millennial values and recruitment/retention

Millennial values have irreversibly impacted workplace principles. The cultural change as Baby Boomers retire and Millennials come into their own impacts what participants consider *the* driving force of change in the public sector workplace: recruitment and retention. Agencies will require new approaches and strategic partnering within the organization between leadership and HR to attract and keep qualified employees. Agencies will have to find a way to rebrand government work and their agency's value within government work to resonate with Millennials' quest for meaningful contribution.

HR loss of control and importance in the organization

At the same time, participants expressed concern over diminishing HR importance to the organization as more functions are outsourced or automated, budgets are cut, and internal HR personnel are reduced. Outsourcing might lead to "poor service" and lack of sensitivity to organizational issues.

Growth of technology and decrease of soft skills

Participants agreed that interpersonal skills and customer service would continue to deteriorate due to the adoption of “self-serve” or transactional technology and less physical presence between employees and, more importantly, between employees and the people they serve.

Constraints due to new laws and regulations or reduced funds

Laws and regulations will continue to impact flexibility in the practice of HR and increase HR’s involvement with risk management. Federal and local governments are creating laws governing minimum/living wages, mandating what must be covered by health insurance, changing retirement plans, and requiring various leave programs.

These forces will continue to evolve and irrevocably push organizations to adapt, whether they are ready or not. Our participants envisioned the following future scenarios based on either the changes their agencies are already making or the changes they conclude their agencies must make if they want to maintain a sustainable workforce to fulfill their mission.

HR Administration



Key Concepts

- Lean
- Automated
- Outsourced
- Higher level HR/organizational expertise
- HR leadership/strategic planning

The typical HR department will be lean and efficient with a much smaller staff. Employees will expect, if not demand, that transactional tasks be automated. Software training and security will be paramount, as well as user-friendly, integrated systems. Automation may further disconnect HR staff from other employees.

HR staff functions such as recruitment, training and problem resolution will be outsourced. In addition to vetting and coordinating external expertise, HR staff will have a higher level of proficiency and involvement in risk management, continuity and succession planning, wage and benefits management, and budgeting.

An experienced pool of candidates will be available as Baby Boomers retire. Many retirees with time on their hands will be searching for meaningful volunteer activities or part-time work where their skills are valued and they can contribute to an organization's mission. HR professionals will need a different management style to address this cohort's requirements unlike the management practices used with regular staff.

The HR Director will play a key leadership role in organizational strategic planning due to the growing crisis of recruiting and retaining a qualified workforce. In turn, support from top executives for HR initiatives will be critical in creating a thriving agency workforce.

Recommendations

- Incorporate ways to keep HR engaged with the organization and communication open. The HR Director should meet regularly with department heads to understand their staff needs, create the foundation of a good succession plan, and help unite staff in support of the organization's mission, goals and strategy. HR staff should build bridges with department staff through special projects/non-personnel projects.
- Leadership support for HR initiatives will be critical in creating a thriving agency workforce. The HR Director will need to prove HR's value to leadership through education, promotion and innovation.
- Diversified training and development of HR professionals should include staying abreast of private sector workforce changes, learning to innovate within the regulatory structure, and developing a mindset of inquiry and re-examination of current practices.
- HR professionals should understand and develop skills in managing a volunteer or retired annuitant staff. Consider having a volunteer coordinator on staff, a specialist that can align volunteers with tasks.

Workplace Culture



Key Concepts

- Non-traditional/flexible/mobile
- Individualized work arrangements
- Balanced work/home life
- Paid Time Off (PTO) is standard
- Cloud technology
- Standardized data/processes

Millennials' desire to be free of traditional work environments, to have meaning and impact in their work-life, and to balance their work and home life will change the face of workplace culture. Most staff will have individualized work arrangements such as telecommuting or flexible work schedules. Paid Time Off (PTO) will be widely accepted as further supporting employees' need for flexibility. As Defined Benefit Pensions weaken or disappear, better work/home life balance will offset lower public sector compensation packages.

Cloud technology will be embraced to cost-effectively support a mobile workforce and provide centralized access to data. Cloud technology will provide financial advantages and the security of remote back up for disaster recovery. Data security, privacy and transparency will continue to be challenges.

Staffing will emphasize intra-disciplinary teams instead of specific functional departments to accomplish various projects. With a mobile workforce, leadership and staff may lose a forum for shared ideas and perspective, the "cohesiveness" of face-to-face collaboration. Staff may become

more isolated due to geographic distances and less versed in interpersonal skills as interactions become occasional and brief.

Recommendations

- Develop a comprehensive on-boarding process to set clear expectations regarding policies and deliverables, promote ongoing communication, and convey organizational values.
- Create an environment that encourages group interaction through a variety of communication styles and regular face time to significantly improve workplace culture.
- Clearly communicate the links between day-to-day work and the impact it has on a level that matters to the employee (e.g. society, local community).
- Coach management and staff on how to effectively balance work/home life as technology creates instant availability beyond traditional work hours.
- Begin standardizing and centralizing data now. Provide technical support and training on standardized data capture and processes. Training on proper security will be critical in a mobile workforce.
- Adopt PTO; the separation of sick leave and vacation is already blurring. PTO is easier to manage and gives employees more control. Start with a comprehensive plan to transition from earned leave to PTO, and develop policies that effectively manage use.
- Supervisors must work regularly with and monitor the performance of their staff whose job requires critical interpersonal skills, not only for those that provide customer service to the community but also internal staff.

Engagement and Development



Key Concepts

- Continuous improvement
- Coaching and mentoring are standard
- Performance management includes development and growth goals
- Training is in shorter segments with 24/7 access

By embracing employees' desire to be life-long learners, agencies will be able to meet both individual and organizational goals. Performance management will combine employee development, goal setting and performance evaluation as a strategy for continuous improvement. Agencies will provide staff coaching and mentoring as a matter of course, especially in soft skills such as verbal/interpersonal communication and customer service which may suffer in the mobile workplace.

To better reach younger employees and reduce cost, agencies will provide shorter, individualized training that relates directly to an employee's job. Training will be available from a variety of platforms and will be offered 24/7 via almost any device.

Agencies may still struggle with accurately measuring a connection between desired results and targeted training. Employees may only pursue topics of interest versus those areas they need to develop. As training becomes bound to technology, some employees may suffer if their learning style is different from the accepted norm.

Recommendations

- Embrace employees' desire to be life-long learners. Work at developing a learning culture that values innovation and supports continuous education. Educate managers and supervisors in coaching skills.
- Consider a learning plan as part of an employee's performance plan. Link training to the bigger picture in terms of career ladders, as well as demonstrating to the employee how their efforts support the agency's mission. Develop a system of ongoing feedback to employees by managers and peers versus a structured "annual" evaluation.
- Encourage coaching and mentoring in your organization. Provide opportunities for managers and employees to connect through mentorship, as well as opportunities for peer-to-peer learning and skill development.
- Ensure that training technology (i.e., Learning Management System) is updated and the content is regularly refreshed and pertinent to employees' jobs.
- Interpersonal and customer service skills may need extra attention. Training that encompasses complex interactions should continue to be accommodated in a face-to-face environment, but provided in shorter segments.

Recruitment



Key Concepts

- Candidate scarcity
- Creative partnerships
- Internship, workforce readiness training
- Ability to learn is highly valued
- Rebrand “government work”
- New/creative benefits

The scarcity of ready candidates will encourage agencies to be creative in sourcing candidates through non-traditional as well as traditional methods. Candidates’ ability to learn will be more highly valued than the existing skills they bring to a job.

Government agencies will have a harder job convincing workers to join the ranks of public sector employees. Potential candidates may associate government work with politics, red tape, outmoded practices and stagnation. Dwindling employee benefits, pensions and salaries will compound the problem.

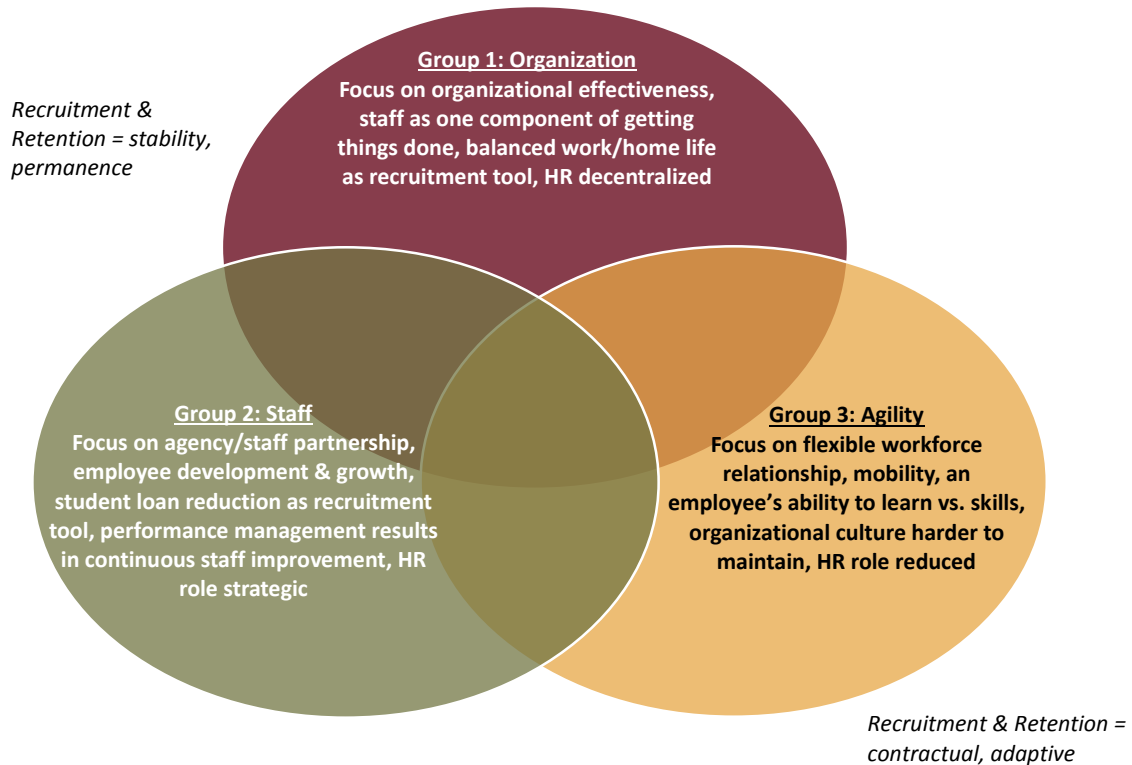
Millennials’ readiness to leave an organization to find meaningful work will lead to higher turnover for agencies caught unprepared. Those who are prepared will embrace marketing strategies and build a brand that creates a positive image of an agency’s purpose and impact, incorporating it not only into recruitment but also into onboarding and continuing engagement processes.

Agencies will offer new benefits to entice and retain employees, such as student loan reduction in exchange for public sector service, alternative compensation, sabbaticals or other paid time off, but especially balanced work and home life.

Recommendations

- Consider what “brand” your agency represents and if it matches the agency’s mission and values. Is your agency’s brand attractive to candidates? Determine what it takes to live the brand you desire at every level of the organization, not only to improve engagement and retention, but to prevent misrepresenting your organization to candidates.
- Begin building relationships with educational institutions and regional workforce leaders, including private-public partnerships. Work with colleges and universities to recruit graduating students and to ensure that the recruitment package is attractive. Provide internships or mentoring opportunities to graduate students.
- Critically review and redefine minimum qualifications; consider if the necessary skills can be developed through workforce readiness training for recently hired employees. Think outside the box when reviewing candidate experience.
- Consider alternative compensation and benefit options. In addition to flexible work schedules and balanced home/work life, incentives might include tuition reimbursement or training opportunities. Student debt pay-off as an alternative to compensation rates or PTO, with appropriate reimbursement-for-retention agreements, could be a powerful recruitment tool.

Differing Approaches



Respondents shared common themes and concerns on what might occur in the future, yet differed in their approach to change. Participants fell into one of three groups, regardless of their agency type or size: those who focused on the organization as a whole (Group 1, n = 107), those who focused on nurturing their employees (Group 2, n = 99), and a small group that focused on agility (Group 3, n = 31).

Although Groups 1 and 2 both had retention and recruitment concerns, Group 1 participants selected statements that reflected increasing organizational effectiveness, while Group 2 indicated a partnership approach between agencies and their staff with heavy emphasis on staff development and growth. Group 2 participants were also more likely to suggest innovative or non-traditional approaches to challenges.

In many ways Group 1 was similar to Group 2 in that both groups chose statements regarding staff retention and recruitment as the most important factors impacting talent management in 2030. Both groups also agreed that employees' search for a meaningful and impactful work life would compel major change in the public sector workforce. Group 3, on the other hand, was both smaller and distinctly different from these groups.

Group 3 participants' answers to 2030 challenges were to become a more agile organization that responds to emerging needs as they arise. Rather than focusing on reducing turnover, this group envisioned a leaner, more adaptive and flexible workforce with a streamlined HR function. Along with technology, outsourced services and contracted employees would be more prevalent.

Conclusion



One common theme stands out in the responses CPS HR Consulting received in this study – **change is unavoidable and the consequences of not responding to that change will profoundly impact your agency’s ability to function.**

Our participants outlined their greatest concerns around the forces of change that are impacting their agencies: changing workforce values, shifting HR responsibilities, evolving technology, and increased regulations. Their vision of the near future, regardless of their approach to change, is consistent. Public sector practices must adapt to the demands of the new workforce environment. **Most importantly, senior leaders must act to attract and retain good employees by reconnecting their agency’s mission with their employees’ and candidates’ desire for meaningful work.**

This will not be easy, particularly in a highly regulated environment with an emphasis on increasing efficiency, but it can and must be done. Throughout this report, CPS HR has provided recommendations to help you respond to changes in HR administration, workplace culture, employee engagement and development, and recruitment. These recommendations are based on your colleagues’ feedback and our experience working with public sector agencies.

As an HR leader, you play a pivotal role in how your organization initiates and processes change. Achieving leadership support for HR initiatives through education, innovation and promotion is critical in creating a thriving agency workforce. Begin reinforcing that foundation of support now. Examine your agency’s culture and engagement. Without engaged staff, change initiatives will be much harder and more costly to implement.

Inform your staff and senior leaders of external changes that are impacting your workforce. Share this study with them and initiate discussion with staff. Ask different staff at different levels of the organization about changes they see occurring in the work environment and how these changes are

impacting them. Solicit feedback on how they would approach these changes, as well as the results of *not* responding.

Having these discussions will not only build awareness, but also help determine areas of focus where the greatest impact can occur in the shortest amount of time, as well as determine larger initiatives that might require a phased approach. Start small and look for “easy wins” to build momentum and support. Small changes can have significant impact. As change initiatives progress, keep your staff engaged in the process as well as informed. Be transparent.

Remember, you are not alone, we are facing these changes together.

Talk with HR leaders at other agencies who have implemented similar changes. Network with public sector leaders through professional associations and have them share their successes and how they achieved them. Learn how other agencies are adapting to new demands in the workplace and how their actions might be adopted.

The challenges we face in public sector HR are not insurmountable, but strategic action should begin now. You have twenty recommendations inspired by your peers. Choose one, get started, and be an agent of change instead of a victim of circumstance.

Appendix A: Respondent Demographics

CPS HR Consulting received responses from 237 management and non-management personnel working in city, county and state agencies as well as special districts and authorities.

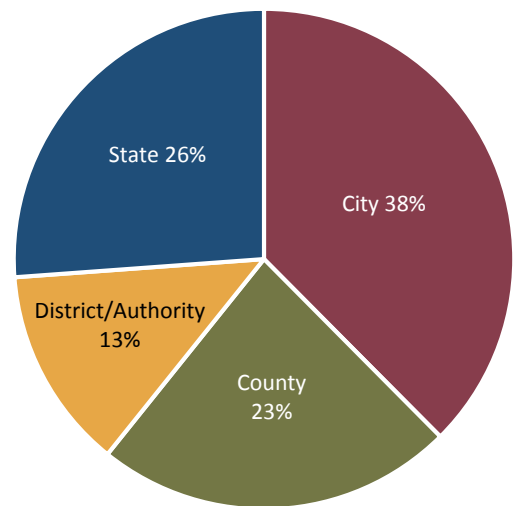
Most respondents were located in the Western United States; 56% were from California. Texas and Colorado comprised 10% and 9% of respondents, respectively. The remaining responses were distributed among 27 states.

Respondents were well distributed across different types of agencies. Those from cities comprised the largest proportion at 38%. Districts and authorities comprised 13% of participants.

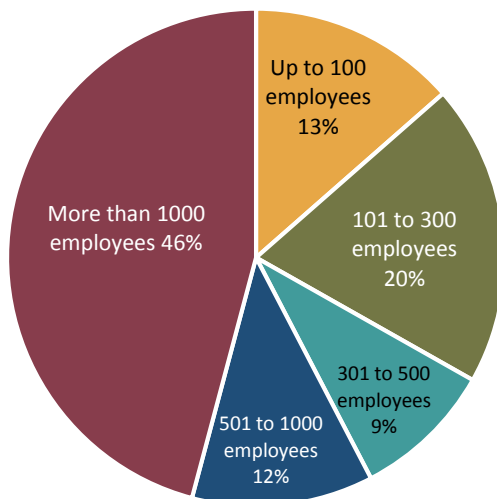
Almost half of respondents came from agencies with more than 1,000 employees (46%). Those from agencies with fewer employees were well distributed, with a slightly higher proportion from agencies with 101 to 300 employees (20%).

Respondents' roles with their agency were well distributed, with a higher proportion of senior management (44%) compared to mid-management (27%) and non-management (29%) staff.

Response by Agency Type (n = 237)



Response by Agency Size (n = 229)



Response by Staff Level (n = 224)

