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will begin  
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- Tourist Development Tax (TDT) Audits and Consulting
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# Weathering the Workforce Storm

Presented by:

Erin Creedon, Senior Talent Acquisition Specialist

Katie Howard, PHR, Senior HR Consultant



## Webinar FAQ

- How to ask questions
- Technology questions
  - 888.387.6851
- CPE Eligibility



# Your Presenters



## **MEET** Erin Creedon

### Senior Talent Acquisition Specialist

Erin has several years of talent acquisition experience. At James Moore, she focuses on the firm's mission statement "to create exceptional career opportunities." She helps fill positions for our HR Solutions clients and for the firm, from internships to full-time roles that lead to supervisor, manager, and director opportunities. She also serves as a subject matter expert with our firm's clients on matters related to recruiting and onboarding best practices.



## **MEET** Katie Howard, PHR

### Senior HR Consultant

Katie has nearly 20 years of professional HR experience in multiple leadership and consultative roles. Her work has spanned a variety of employment sectors, including municipal government and professional employer organizations. She has developed expertise in all facets of human resources including talent management, total rewards, performance management and compliance, and more.

# Agenda

- Why is it important to know the worth of human capital?
- Identifying the current and upcoming workforce constraints facing local governments
- Establishing metrics for identifying current and upcoming holes in your workforce
- Applying low cost recruiting practices that can be implemented ASAP
- Incorporating best practices to boost retention

A hand is pointing to a row of business cards on a table. Each card features a portrait of a person. The cards are slightly overlapping and arranged in a diagonal line. The background is a neutral, light gray.

**Why is it important to know the worth of  
human capital?**

# First: Define Human Capital

- Human capital management, or “HCM” for short, is the collection of organizational practices related to the acquisition, management and development of the human workforce—or human capital—within an organization.
- Human capital is not an expense. It is an intangible asset that cannot be listed on a company’s balance sheet.
- Encompasses the economic value of a worker’s experience and skills:
  - Education, training, intelligence, skills, health – even loyalty and punctuality
  - Ideally more invested into an employee, more productive and increase profitability

# Understanding Human Capital

- Your offices are only as good as their people.
- Investment in HCM is necessary:
  - Recruiting and hiring
  - Training and development
  - Monitoring and analyzing employee performance (both efficiency and effectiveness)
  - Retaining employees by utilizing holistic practices of engagement



# Understanding Human Capital (Continued)

- It can depreciate through long periods of unemployment and slowed technology and innovation.
  - Loss of skill set while not working
  - Lack of growth and innovation results in deterioration of employees (aka human capital)
- Although not on the balance sheet, HCM can be measured with ROI.
  - Actual measurement tools will be discussed later in the presentation.
- The ultimate goal of HCM is to optimize and maximize employee outputs to gain a competitive advantage.

# Polling Question #1

Which Parks and Rec character are you?

- a) Leslie Knope
- b) Ben Wyatt
- c) Donna Meagle
- d) Tom Haverford
- e) Ron Swanson





**What is causing this high-pressure front in the workforce world?**

# Factors That Negatively Impact the Workforce

Local government trends show that three factors negatively impact the workplace:

- Recruiting practices
- Retention issues
- Boomers' retirement

# Trend #1 - Recruiting Practices

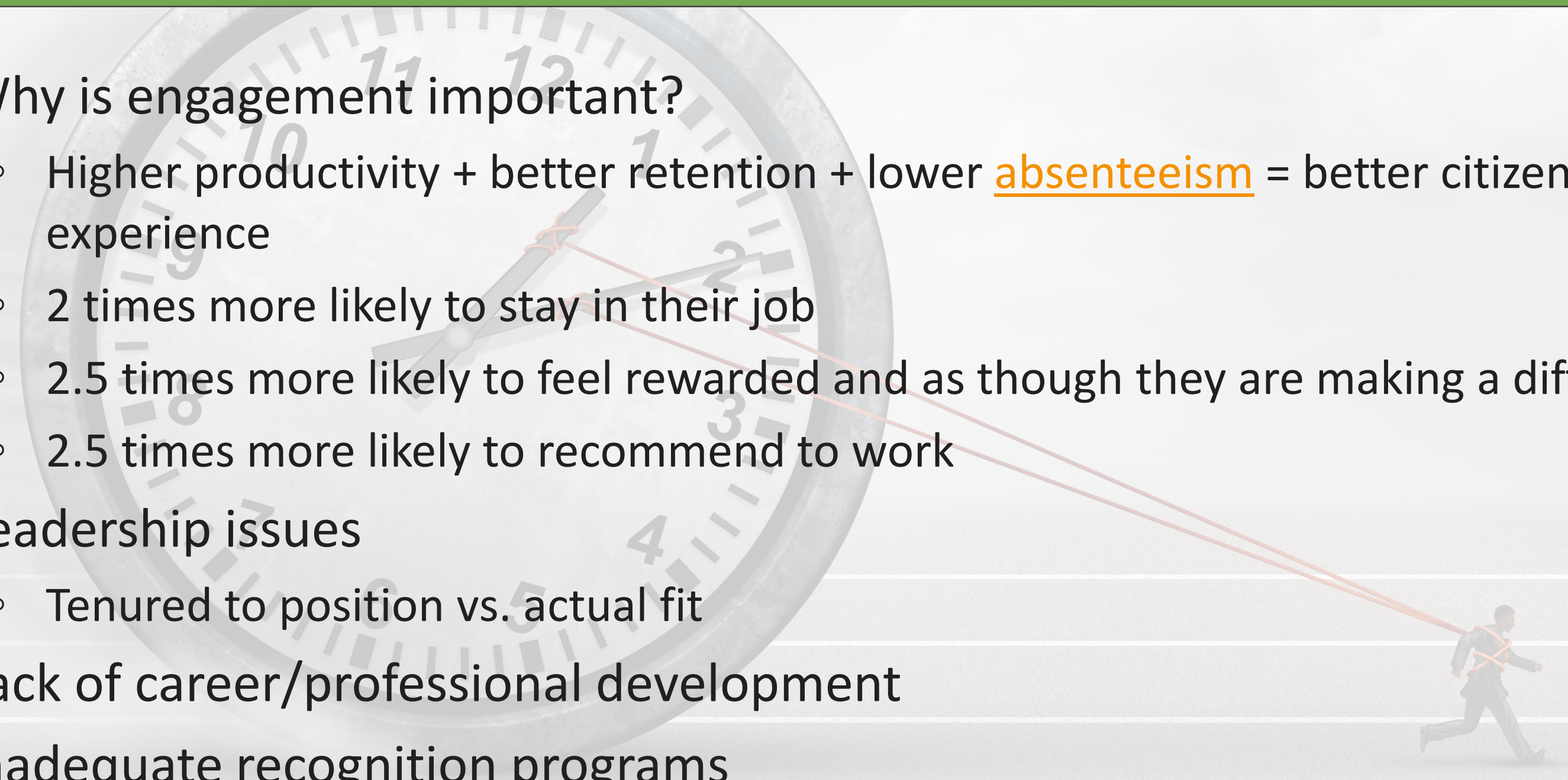
- Competition with other employers for talent
- Limited staffing pool to dip from
- Lack of capacity
- Inconsistent processes and standardization
- Underwhelming visibility and marketing
- Limited compensation and benefits offerings
- Archaic technology and processes



# Trend #2 - Retention Issues (Compensation Package Offerings)

- Budget constraints/lacking tax digests
  - Political push to spend available dollars on visible capital projects and tangible improvements to attract voters
- Inflexible pay structures
- Statistics of private sector vs. public sector
  - Higher education requirements but lower pay (48% degreed employees)
  - Salary and wages on average 11-12% lower
  - Total compensation 7% lower
- Benefits typically better but starting to cost control those as well.
  - Wellness programs
  - High deductible plans
  - Removal of pensions
  - Lessening contributions

# Trend #2 - Retention Issues (Employee Engagement and Morale Issues)

- Why is engagement important?
    - Higher productivity + better retention + lower absenteeism = better citizen/ratepayer experience
    - 2 times more likely to stay in their job
    - 2.5 times more likely to feel rewarded and as though they are making a difference
    - 2.5 times more likely to recommend to work
  - Leadership issues
    - Tenured to position vs. actual fit
  - Lack of career/professional development
  - Inadequate recognition programs
- 

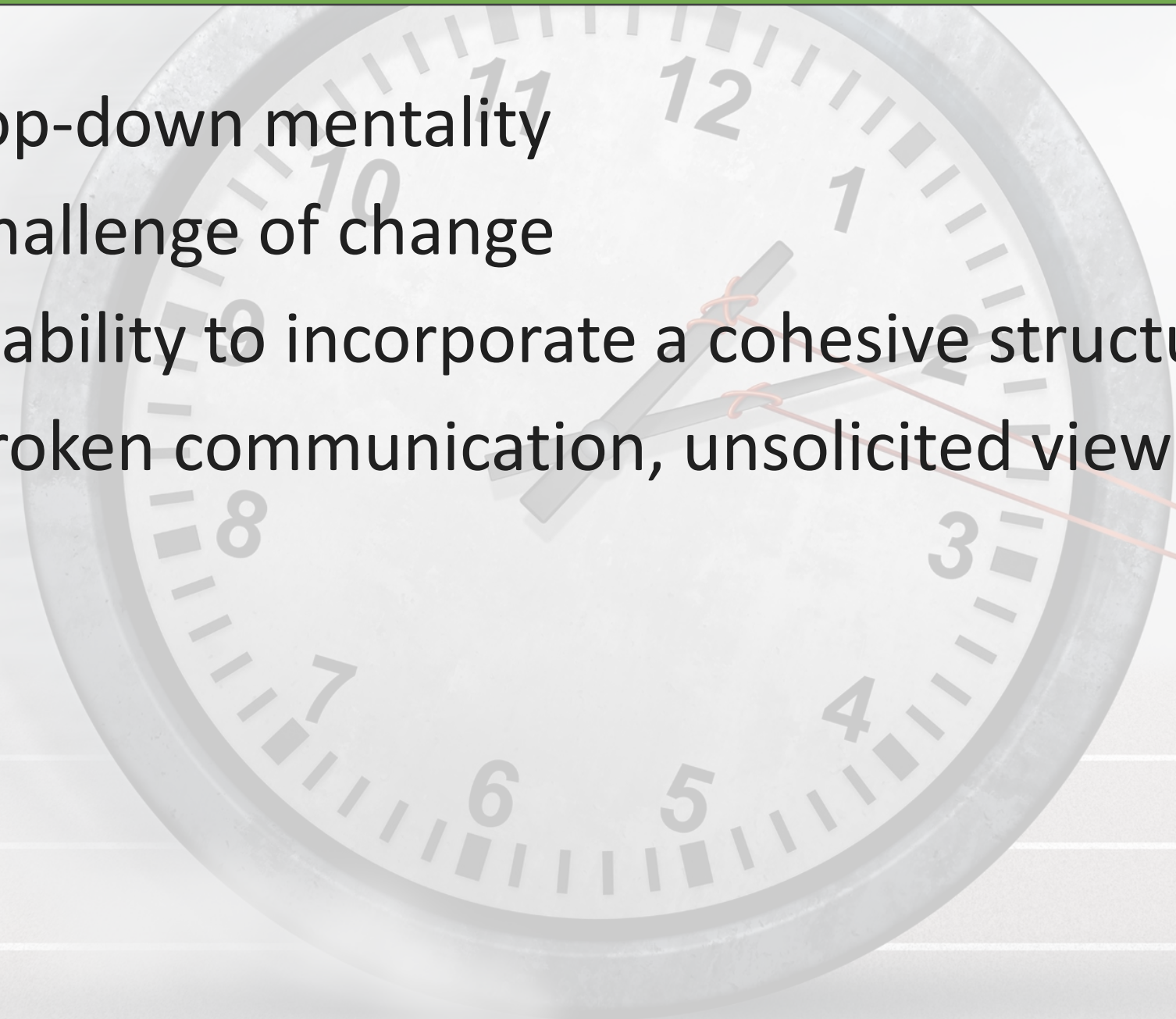
# Trend #2 - Retention Issues (Employee Engagement and Morale Issues)

- Morale – specifically public safety
  - Police
    - Public opinion
    - Media scrutiny
    - Undertrained
    - Short staffing, excessive overtime
    - Lack of leadership and politician support
      - » Of 50 major cities, 23 chiefs resigned or retired
  - Fire/EMS
    - Short staffing – excessive mandatory overtimes
    - PPE (COVID)
    - Strained/aged resources and equipment
    - Aged workforce
    - Exposure to the elements
    - Leadership mistrust
    - Broken communication/limited transparency
    - Authoritative management approach



# Trend #3 – Undefined Culture

- Top-down mentality
- Challenge of change
- Inability to incorporate a cohesive structure
- Broken communication, unsolicited viewpoints



# The Silver Tsunami



# Boomers are Retiring by the Masses

- Stats
  - 10,000 people nationwide turn 65 every day
  - 40% of Boomers anticipate graduating over the next few years
  - Last year it was estimated that there were more Boomers than children 5 and under
  - By 2030 age 65+ demographic expected to double
  - 30-40% of local government employees are now eligible to retire based on age or pension value
  - 80% of organizations say they lose valuable expertise, institutional knowledge and leadership when these employees transition out

# Issues Associated with the Tsunami

- Institutional knowledge drain
- Abundance of vacancies
- Cost of healthcare



# Polling Question #2

**What office or department of the government do you represent?**

- a) Public safety
- b) Finance
- c) School board
- d) Parks and recreation
- e) I'm just here for the CPE!

A hand is shown placing a puzzle piece into a larger assembly of puzzle pieces. The puzzle pieces are light green and white, with some pieces shaped like human silhouettes. The background is a soft, light green gradient.

# Using HR Metrics as Your Barometer

# Why look at these metrics?

- BUY-IN. Recruiting and retention are team efforts, and you'll need a team behind you. You'll want to be able to put into words the way low staffing will impact taxpayers' opinions of the community, increased leadership workloads and morale in the workplace.
- Use these figures to show what you will save by reducing turnover, increasing retention

# Retention Rates & Turnover Rates

- **Retention Rate** =  $\frac{\text{\# of dept. employees at the beginning of a period}}{\text{total \# of dept. employees at the end of a period}}$
- **Turnover Rate** =  $\frac{\text{\# of employees terminated during the period}}{\text{\# of dept employees at the beginning of a period}}$

The average turnover rate for local government is roughly 8 -10% according to 2017 Labor Statistics. If the average cost per hire is 15k and you just reduce your turnover 2% by using positive retention methods, you save \$150K.



# Costs per Hire (Example: Police Officer)

- Costs are always a concern, as the standard cost to recruit, hire, equip and fully train a police officer from the time they submit their initial application to the time they can function independently may take up to **eighteen months**.

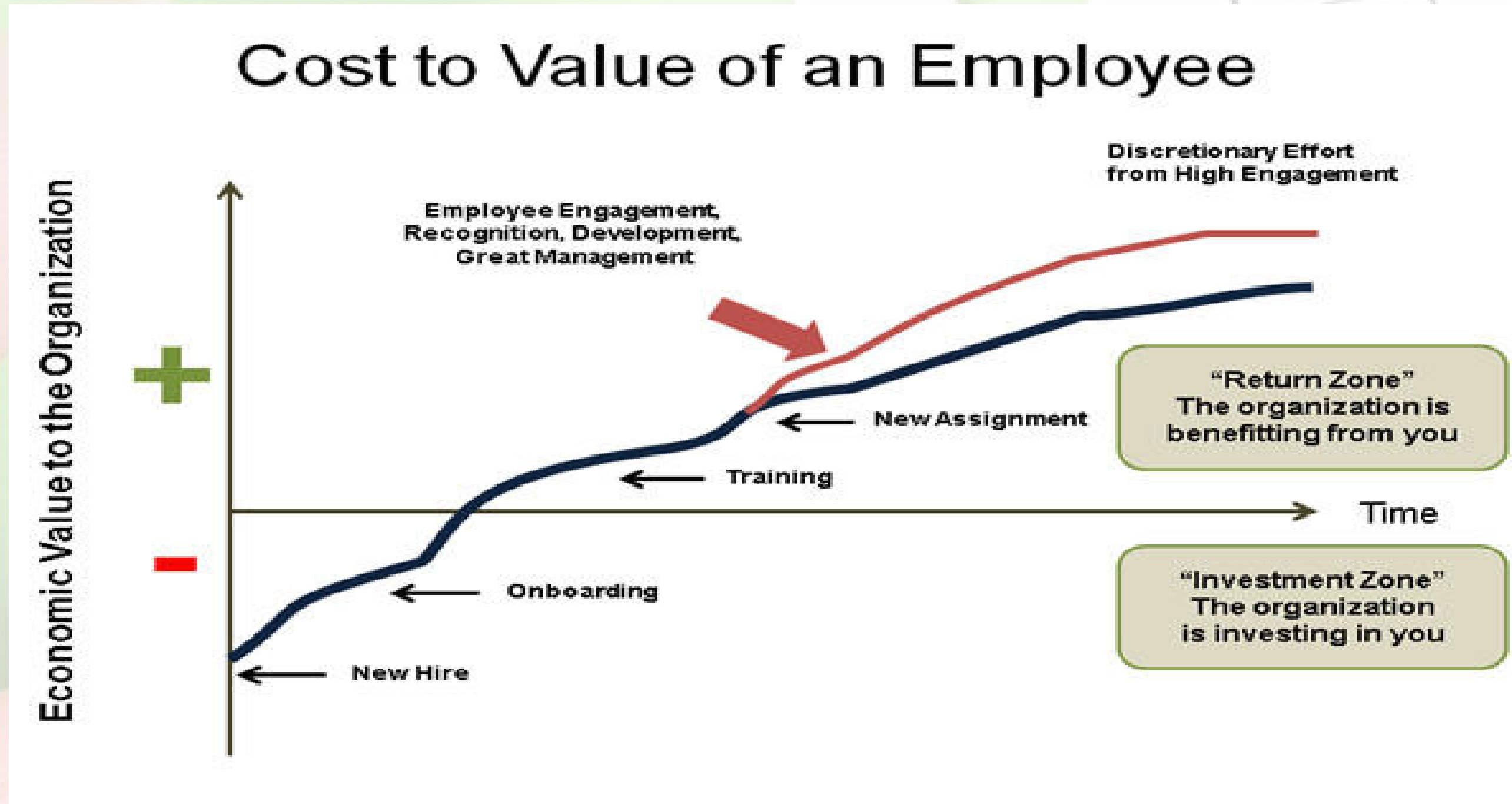
<b>Recruitment Costs</b>			<b>\$3,000</b>
	<b>Annual Salary</b>	60000	
	<b>Length of Training (weeks)</b>	22	
<b>Salary During Training's Duration</b>		=	<b>\$25,385</b>
	<b>Annual Salary</b>	60000	
	<b>Cost of Benefits</b>	0.381	
	<b>Length of Training (weeks)</b>	22	
<b>COB While in Training</b>		=	<b>\$9,672</b>
<b>Signing Bonus, if applicable</b>			<b>0</b>
<b>Pre-Hire Testing</b>			<b>\$1,150</b>
<b>Equipment</b>			<b>\$32,700</b>
<b>Training</b>			<b>\$7,000</b>
	<b>COST PER HIRE</b>		<b>\$78,906</b>

\*pulled from Boulder, CO police department

# Intangible Costs per Hire (Example: Financial Accountant)

- Team Impacts
  - For example, your monthly close happens whether you have a team of five or a team of two. It still has to get done. This compression of work impacts the morale of the team!
- Individual Employee Impacts
  - Loss of knowledge and firsthand experience
- Increased Management Time and Effort
  - Increased stress and compression can lead to more errors, leading to a need for more oversight and due diligence when processing financials.
- Negative Community Relations
  - Poor customer service can lead to the community thinking their local government doesn't care about them.

# Cost to Value of an Employee



Source: <https://www.linkedin.com/pulse/20130816200159-131079-employee-retention-now-a-big-issue-why-the-tide-has-turned>



# Hurricane Prep

# Batten Down the Hatches

- To make a case for a team to shift focus to recruiting and retention, start by calculating **your current turnover rate, retention rate, and the average cost per hire using those metrics listed above.**
- Identify vacancies and potential upcoming vacancies by reviewing organizational charts
- Prioritize needs
- Implement Exit Interviews and Stay Interviews into your HR practices.

# Preparing for the Future

- **Interview your top performers.** Be proactive about the creation of “how to” documentation so, when they do leave the company, the knowledge gap is lessened.
  - Focus on:
    - Skills needed to do the job
    - Documenting contacts, relationships and resources the employees use to get their jobs done
    - Make a preemptive effort to learn more about the ins and outs of the job
- Use the information gathered when revising the job descriptions of the team members.
- Excellent case study of this out of Fort Collins, CO:  
<https://www.governing.com/generations/gov-government-unprepared-for-boomers-mass-exodus.html>

A person in a dark suit is seen from behind, holding a large black umbrella. They are standing in the rain, with raindrops visible as white streaks against a grey, overcast sky. The person is looking out over a body of water. A solid green horizontal band is overlaid across the middle of the image, containing the title text.

# From a Drizzle to a Downpour

# Job Descriptions vs. Job Ads to Attract

So many companies write a *job description*—a brief paragraph about what the job does and the standards an employee will be held to in the role—and then puts it online for the world to see.

Writing a *job ad to attract* will bring in more candidates.

## Things to consider:

- No one wants to read.
- Hook them with what appeals to them first!
- Job responsibilities: Keep the list simple.
- Skills: Highlight the skills you need brought to the table.
  - Try to exclude years of experience when it's not necessary.



# Appealing to Millennials/Gen Z

- Making a positive impact or difference in your own corner of the world
  - Government agencies should highlight the impact of the work employees do and post the job as mission-driven.
  - Discuss the WHY behind the WHAT!
- Diversity and inclusivity
- Flexibility
- Wellness programs
- 401K programs
- In the age of social media, image (“brand”) is everything
  - facebook, twitter, instagram, tiktok, email communications, etc.

# Start Early!

- Harness Millennials' and Gen Zers' drive for public service early through:
  - Apprenticeships programs
  - Internship programs
  - Leadership development programs
- To fill its ranks, the government must expand its scope to candidates who decided to take a different path after high school or college.

# Build a Retention Levy so Your Quality Employees Do Not Flood Out

- Employee engagement surveys
- Establish a feedback process
- Develop a culture which exhibits the following

## Collaboration is key – **Katie's example**

- Matrix teams/Matrix Management
- Participatory leadership
- Be a part of something bigger than your role

# Build a Retention Levy so Your Quality Employees Do Not Flood Out (CONT)

- Wellness and life balance programs
- Fun and community involvement
- Communication
- Recognition plans
- Mentorship Programs
  - Succession planning and being a learning organization
- Flexibility
  - Working from home or flex schedules

# Polling Question #3

**I'm most interested in learning more about:**

- a) Recruiting Gen Zers
- b) Retaining current employees
- c) Succession planning
- d) Other HR services

# Summary



# Next Webinar

Register for our next CPE Series webinar:

[GASB 84 & 87 Deep Dive](#)

Date: June 9, 2021

Time: 2:00pm

<https://attendee.gotowebinar.com/register/8393721659092955919>



# Q&A



# Contact



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# Remaining Webinars in the 2021 Government Summer CPE Series

- June 9 [GASB 84 & 87 Deep Dive \(A&A\)](#)
- June 16 [Beyond Excel](#)
- June 23 [Excel: Beginner](#)
- *June 30/July 7* –No Webinars – Happy 4th of July!–
- July 14 [Single Audit & ARPA Update \(A&A\)](#)

CPE Request/Evaluation Link: <https://bit.ly/3oYiyBG>