

# MOA Workforce Study Phase I Preliminary Findings Report: Executive Summary

Presented to MOA Assembly Rules Committee

November 7, 2024



# Report Objectives

- Help the Assembly and Administration understand what's working well and what's not in the Municipality of Anchorage (MOA) Workforce based on findings from analyzing the perspectives of:
  - Past, current, and could-have-been employees
  - Supervisors
  - Key Leadership & stakeholders
  - Subject matter expert workforce practice assessments
  - Market benchmarking
- Present recommendations for improving recruiting, retention, and engagement within MOA's workforce
- Estimate the budget impact of acting on recommendations
- Understand the next steps to transition to Phase 2

# Project Team Subject Matter Experts

## WORKFORCE SURVEYS, DATA ANALYSIS, AND TRENDS



**Karen English** assists employers, insurance companies, third party administrators and governmental agencies conduct meaningful research and analysis. In addition to consortium and customer specific research initiatives, and market intelligence reports, she routinely develops benchmarking studies and industry trending reports to help our clients develop competitive strategies. Prior to joining Alera, Karen was a Senior Vice President at Spring Consulting Group, a Senior Consultant at Watson Wyatt, the risk management practice leader for a regional consulting firm, held the role of Assistant Risk Manager for one of the nation’s largest banks (U.S. Bank), and was a casualty broker for two of the world’s largest insurance brokers (Marsh and Aon). Karen has her BBA in Risk Management and Human Resources from University of Wisconsin-Madison, and her MBA in Finance from University of Minnesota - Carlson School of Management. She has also earned the designations of CPCU, ARM, ACI, and AU, is on the Board of Directors for the DMEC and is a licensed insurance broker.



**Jackie Myers** provides research support, technical analysis, and project management related to employee benefits, health and welfare, and overall employee engagement studies. She is heavily involved in research design for customer specific research initiatives and manages a benchmarking database with over 1,000 respondents. Jackie has an actuarial background, allowing for unique and data-driven perspectives on client projects. Prior to joining the company, she was an Operations Analyst and Safety Officer at Hogan Security Group, responsible for data reporting, OSHA compliance, vendor management, and payroll. She graduated with a Bachelor of Science degree in Statistics and Data Science from the University of California Santa Barbara.

# Project Team Subject Matter Experts

## HR STRATEGY, ENGAGEMENT & COMPENSATION



**Thomas Showalter** helps employers develop and lead highly engaged and productive workforces. As the Head of Client Engagement at Alera Group in AK and WA, he heads a team of employee benefits, retirement plan, and human resources professionals all focused on collaborating with their clients to achieve their workforce goals through smart, well executed employment strategies. As a Lead Compensation Consultant, Thomas provides executive and compensation consulting services to clients in the NW and beyond, specializing in tribal, professional services, healthcare, and non-profit organizations. Thomas is a Certified Compensation Professional (CCP®) a Society of Human Resource Management Senior Certified Professional (SHRM-SCP®) and holds a bachelor's degree in economics from the University of Oregon. He credits his over twenty-five years of leadership experience in HR and operations as invaluable in understanding client perspectives and expectations as a consultant and service provider.

## ORGANIZATIONAL CULTURE, DESIGN & CHANGE MANAGEMENT



**Belinda Breaux**, Breaux Leadership Solutions, works with leaders to cultivate and sustain a highly engaged, collaborative and achievement focused workplace culture to deliver high performance. Belinda's areas of expertise include organizational change management, strategic planning, leadership coaching and development, work process analysis and improvement, risk management, project management and conflict resolution. This expertise was cultivated through over 30 years leading organizational change as a manager in the high risk energy industry. Belinda's focus as a leadership consultant to public, private and non-profit organizations is "making change work" by applying proven methods of organizational design and change management practices to deliver sustainable results in operational efficiency, safety and customer service through strategic transformational culture change.

## EMPLOYEE BENEFITS CONSULTING



**Chérie Hendrix**, Lead Employee Benefits Consultant, National Accounts, leads large group and self-funded plan teams, providing benefits strategy, healthcare reform guidance, financial analysis, and account management. With over 25 years of industry experience, she is an Advanced Specialist in self-funded plans certified by NAHU and works with diverse clients, including public sector, non-profit, Alaska Native Corps. She has consulted for MOA for the past 9 years. Before joining Wilson Albers in 2015, she spent 16 years at Mercer as a senior consultant, advising mid-to-large employers. Chérie holds insurance licenses in several states and is a member of various professional organizations, regularly speaking at industry events like the State of Reform Health Policy Conference.

# MOA Project Team Members

## LEGISLATIVE SERVICES DIRECTOR



**Clare Ross** has worked for the Municipality of Anchorage for over 14 years, with the Anchorage Assembly, Public Library and Office of Economic and Community Development. Through these roles, she has worked collaboratively with just about every department in the Municipality. She currently serves as the Assembly’s Legislative Services Director. She holds a Master’s in Organizational Development and Leadership from Fielding Graduate University.

## HUMAN RESOURCES DIRECTOR



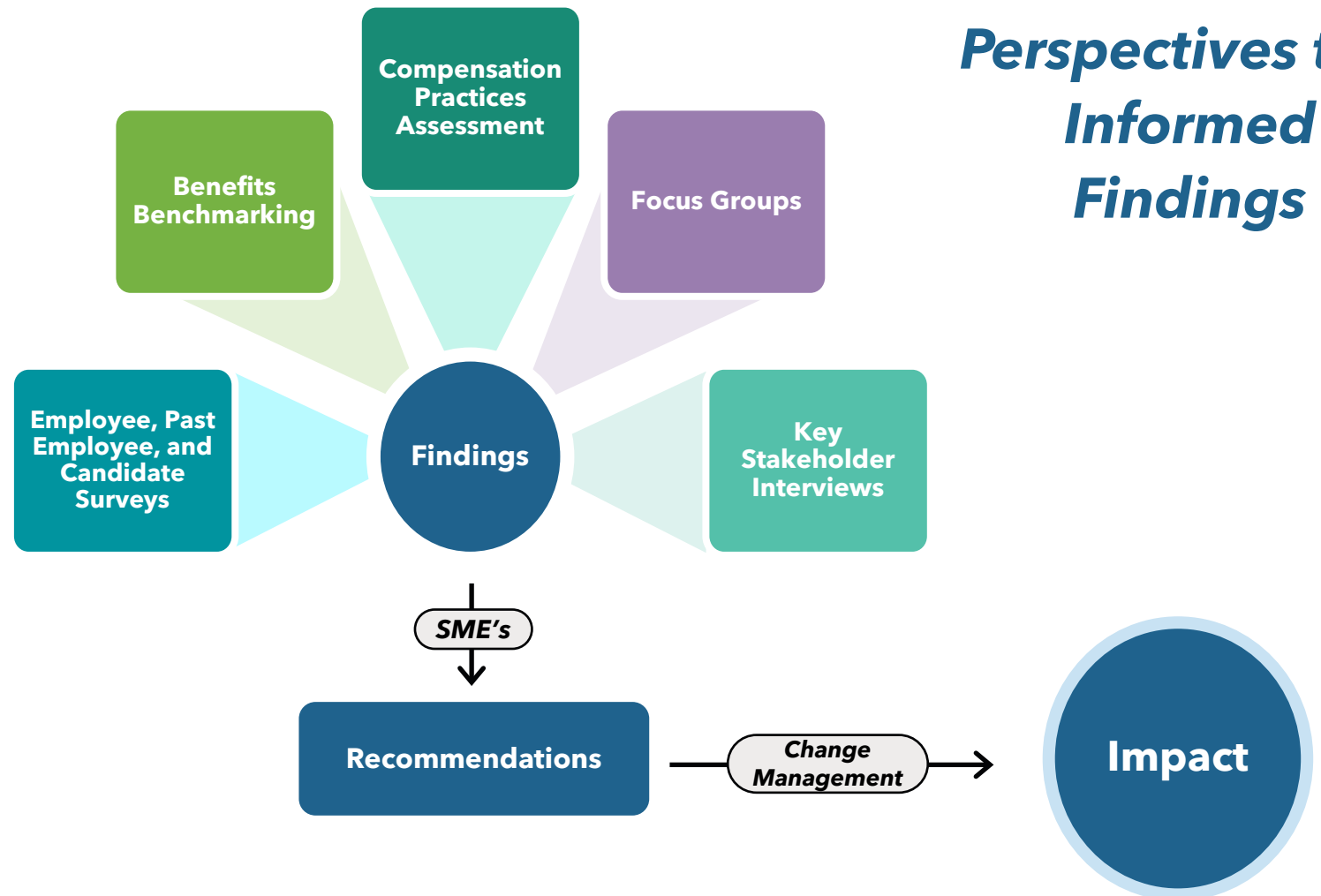
**Tyler Andrews** has served as the Director of Human Resources for the Municipality of Anchorage since May 8, 2023. Andrews has over 29 years of experience (including 15 years as an executive) in human resources, labor relations, management, and safety, and in the private and public sectors working for Chugach Electric Association, Alaska Communications Services, City of Ketchikan, and the State of Alaska. Andrews has a bachelor’s degree in economics (labor theory concentration) from the University of North Carolina at Chapel Hill. He has served as a member of the State of Alaska Labor Relations Agency since 2008

# Executive Summary

# Phase 1 Purpose and Scope

The MOA engaged Alera Group to conduct Phase 1 of a Workforce Study to provide the Assembly with information and recommendations for employment-related policy and budget decisions over the next few years toward the achievement of the priority “support of recruitment and retention of a productive and qualified municipal workforce”.

*Perspectives that Informed Findings*



# Employee Engagement



## Key Drivers of Engagement

- ✓ My work is important
- ✓ I have what I need to do my job well
- ✓ I enjoy the people I work with
- ✓ My good work is appreciated
- ✓ I have opportunities to grow and advance
- ✓ My pay meets my needs and is fair

**Leadership is the foundation of employee engagement**

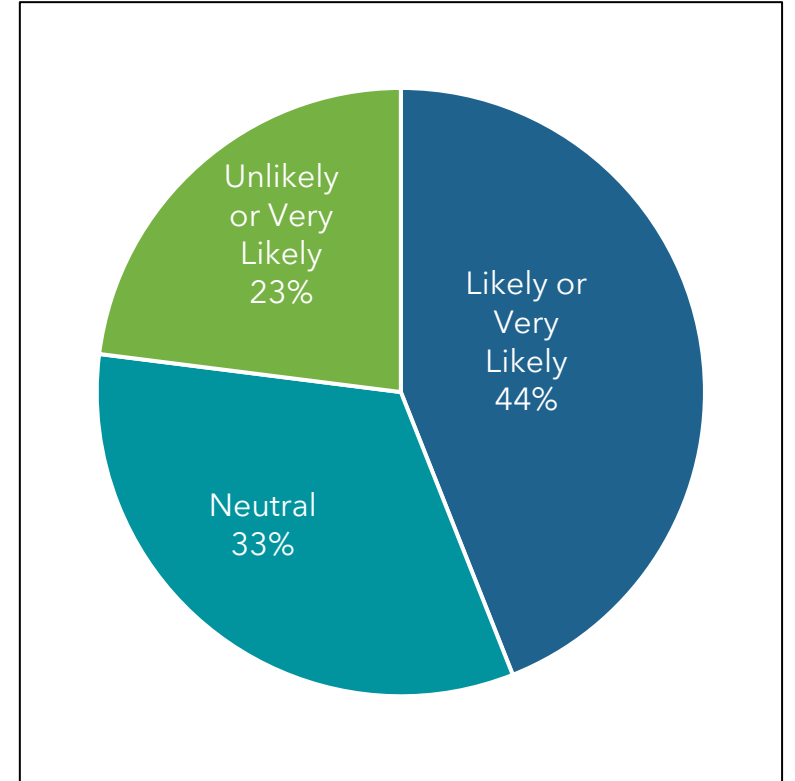
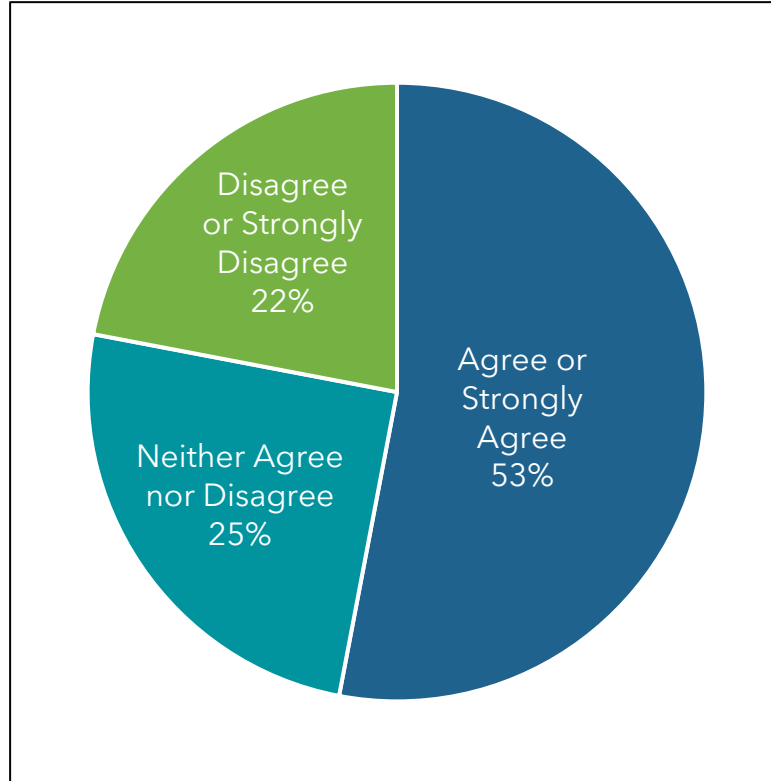
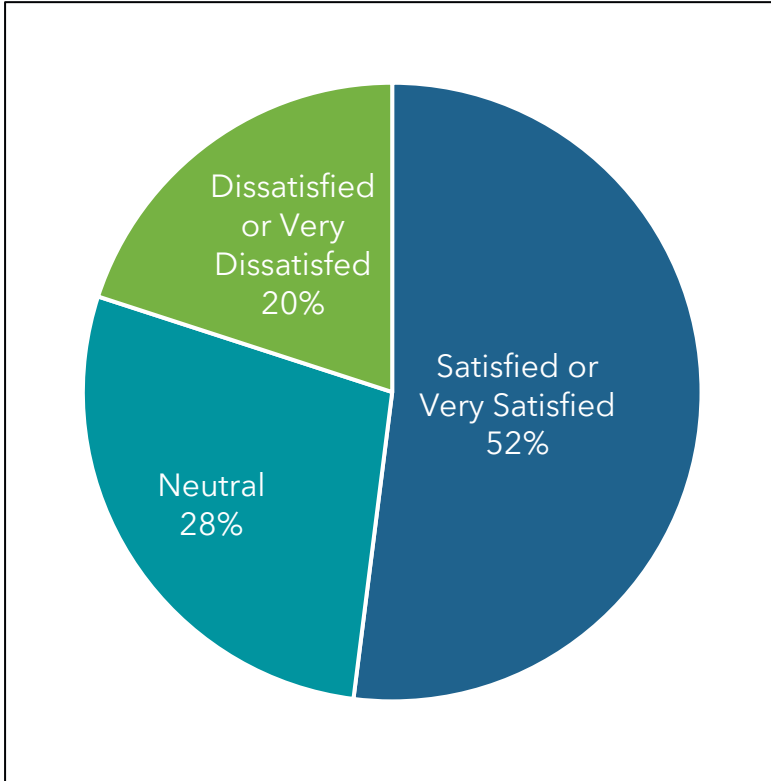


# Overview of Employee Survey Results

- 52% are satisfied or very satisfied working at the MOA

- 53% agree they see themselves working at MOA in 2 years

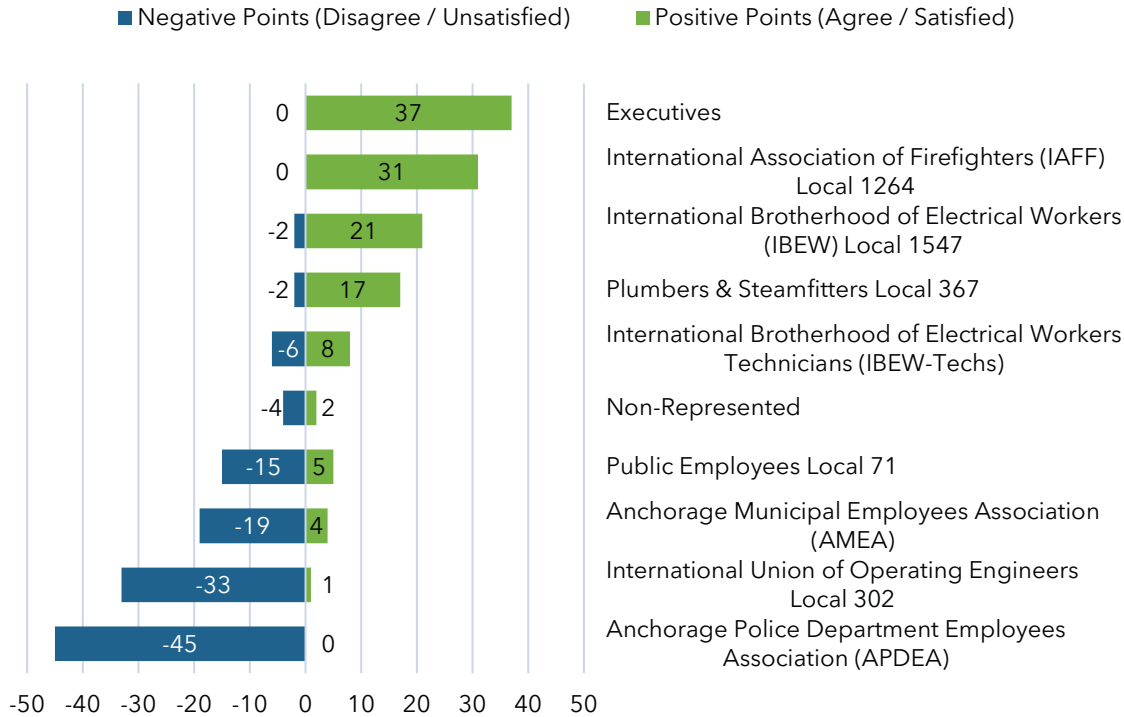
- 44% are likely or very likely to recommend MOA to friends or family as a great place to work



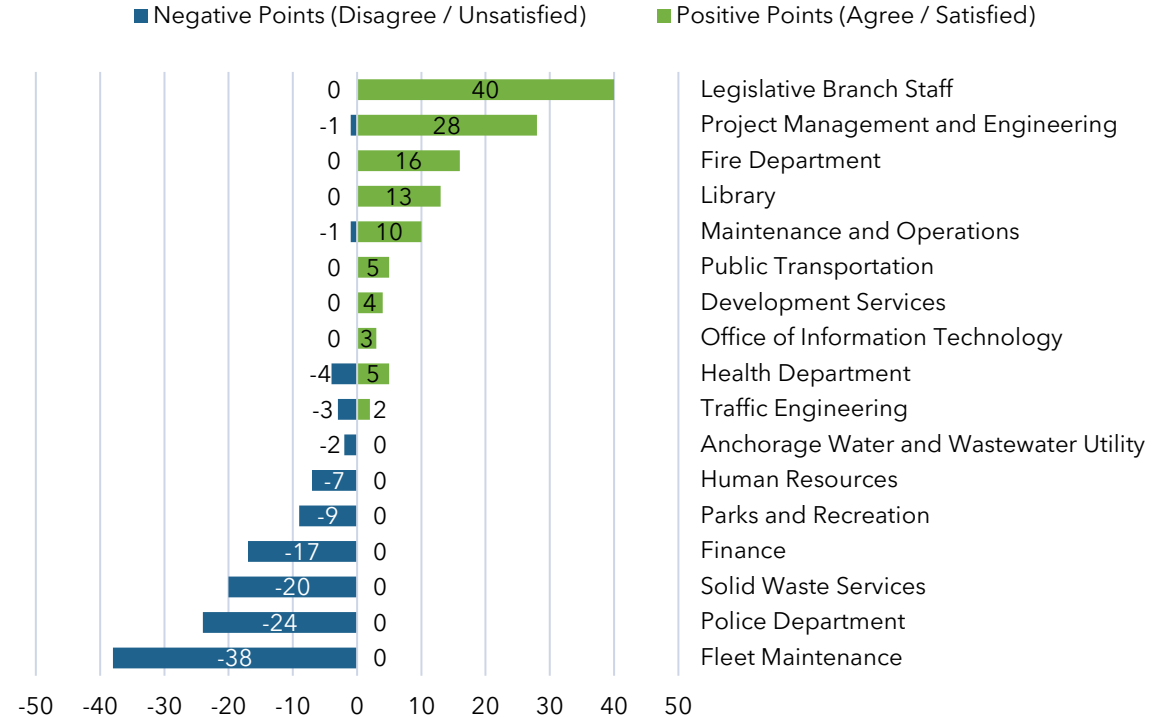
# Overview of Employee Survey Results by Group

The most engaged MOA employees are Executives or the IAFF, working in the Legislative Branch or Project Management and Engineering departments, while the least engaged are the Local 302 or APDEA, and those working in the Police Department or Fleet Maintenance.

Score by Employment Category



Score by Department



# Themes Across Employee, Past Employee, and Could-have-been Employee Surveys

**Commitment to public service** among current and former MOA employees was evident as a key reason to work at the MOA in survey responses, as well as from focus groups, and was a big factor for applicants, too. The most prominent common factors diminishing engagement among current employees, contributing to employees leaving, and applicants turning down jobs include **Uncompetitive compensation** (and some benefits), **ineffective leadership**, **not feeling valued**, **lack of clear and compelling career paths**, and **insufficient resources** to do their work.

## Current MOA Employees

- 89% friendly relationships with coworkers
- 88% see serving public as core part of job
- 76% work gives a feeling of accomplishment
- 50% feel valued employee of the Municipality
- 50% employee benefits package offered is competitive
- 48% resources they need to do their job well are readily available
- 31% satisfied with compensation package
- 29% someone at work talks about opportunities for career growth

## Former MOA Employees

- 79% saw serving public as core part of job
- 77% friendly relationships with coworkers
- 61% got to use personal talents and strengths in job
- 51% work gave a feeling of accomplishment
- 30% felt valued employee of MOA
- 27% employer cared about their wellbeing
- 23% saw opportunities to advance within the MOA

## Applicants that Declined MOA Offers

- 69% saw serving public as core part of job
- 63% said easy to find information about the position
- 30% saw opportunities to advance within the MOA
- 30% employee benefits package was competitive
- 24% satisfied with compensation package offered

# Key Findings Summary

- **Compensation and Benefits**

- Job applicants and majority of current employees believe compensation and benefits are not competitive.
- An initial assessment of historical compensation practices indicates MOA's pay plans are likely to have fallen below market over many years.
- Medical, leave, schedule flexibility and retirement benefits are most valued by employees and majority are not satisfied with current retirement benefits.

- **Workplace Environment and Culture**

- There is strong commitment to public service and positive relationships with co-workers
- Overall, employees have low engagement: Less than 50% expect to be here in 2 years. Less than 45% recommend MOA as an employer.
- Employees at all levels report burn-out with workload and frustration with difficulty in getting work done driven by magnitude of vacancies, out of date / inadequate equipment, tools and systems, lack of leadership and support for addressing work process concerns and improving workflow.
- Politics / conflicts between Assembly and Administration have affected workers trust in leadership.
- General culture of "keep your head down" and "don't rock the boat" is pervasive and preventing change.
- Employees see little / infrequent recognition or appreciation for doing good work from supervisors to workers.
- Employees perceive limited career development / career advancement opportunities in many areas.
- There are varying levels of leadership competency across the organization with no systematic leadership development program.

# Priority Recommendations

**Simultaneously act to shore up compensation and benefits policies and programs to align with the market while also aggressively reducing employee burn-out and frustration with workload, work processes and leadership. Both are priorities that are necessary to stem the tide of attrition and attract employees in a small and competitive labor market.**

## 1. Establish a Compelling MOA Brand

Shape an MOA employment brand with public service as its keystone. Integrate into PR, recruiting, supervisor training and employee communications.

## 2. Align Compensation and Benefits to Current Market

- Develop a Total Rewards Strategy to drive CBA pay and benefits negotiations, pay plan structure and practices, and benefits design.
- Conduct a comprehensive market compensation benchmarking study of all MOA positions: leadership, non-represented, and represented.
- For FY2025, budget for pay adjustments sufficient to keep pace with market and to narrow the competitive gap the compensation study is almost certain to find given the MOA's past pay practices.

## 3. Strengthen Employee Engagement with a Focus on Workplace Environment and Culture

- Fill priority vacancies ASAP with permanent and/or temporary workers. Adjust expectations to align with existing resources, tools and systems.
- Establish Employee Engagement Survey and measurement application.
- Implement Exit Surveys.

## 4. Equip Leaders to Lead

Define core supervisor and critical leadership competencies and establish supervisor and leadership training and development programs with robust curriculums, effective delivery (online, virtual, in-person), and a supporting administrative and tracking system.

## 5. Improve Organizational Design

Identify and execute 2-3 quick workforce-related process improvement wins in the next three months to demonstrate to employees that the MOA leadership is listening and committed to act, and to make a real and apparent improvement to workforce performance.

## 6. Apply Organizational Change Management best practices to implement recommended improvements.

Increase the odds of effective, sustainable change by establishing a full-time, well-qualified Change Champion to instill change skills, practices, and processes; guide and support critical change initiatives; and foster a culture that supports and rewards change.

# Preliminary VROM Budget Estimates

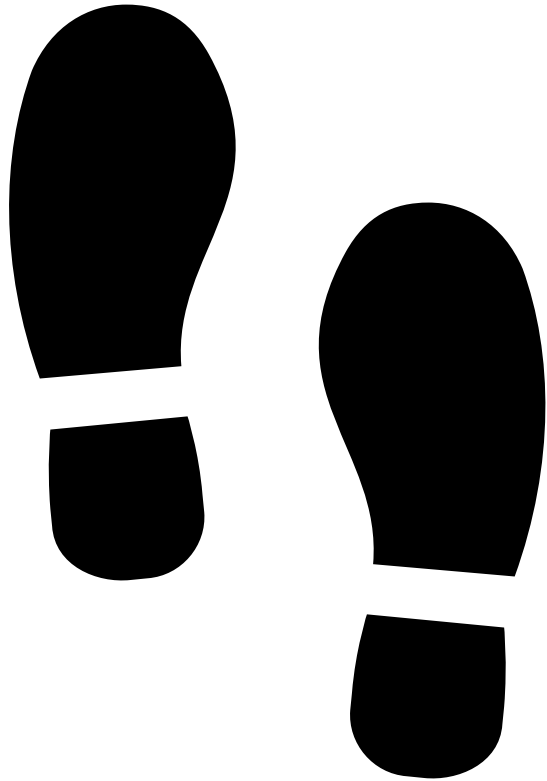
These are very rough order of magnitude (VROM) estimates based on the information available from this Study, our experience, and initial market research.

Accurate estimates will require additional discovery to develop specifications for each project or product and additional market research to refine cost estimates.

We recommend the MOA identify those they are interested in pursuing, use the estimates for a placeholder in the FY2025 budget, then develop more refined budgets for each project and product.

	<b>Elements with Material Budget Impact</b>	<b>FY2025 Estimate</b>
<b>Employer Brand</b>	Employer Brand Development Consulting Project (the Workforce Study Phase I has done the preliminary work)	\$15,000
<b>Compensation &amp; Benefits</b>	Pay Plan Project (market benchmarking, pay plan updates, incumbent analysis, recommendations)	\$150,000
	Represented Market Pay Adjustments (status varies by CBA, but indications are the MOA is behind)	5% of rep. payroll
	Non-rep Market Pay Adjustments (trending at 4% for government, but MOA is behind)	6% non-rep. payroll
<b>Employee Engagement</b>	Employee Engagement Application	
	<ul style="list-style-type: none"> <li>• Selection &amp; Implementation Consulting Support to MOA HR (one time) <span style="float: right;">\$5,000</span></li> <li>• Continue this Survey or Subscribe to Specialty Provider (annual) <span style="float: right;">\$50,000 - \$125,000</span></li> </ul>	
	Exit Interview Application Subscription Cost	\$20,000
<b>Leadership Development</b>	Basic Leadership Training Program* (mix of structured online [e.g. LinkedIn has good content] and in-person for MOA specific)	\$175,000
	Advanced Leadership Training Program* (on-site sessions with multiple supervisor groups led by professional leadership trainer)	TBD - FY2026
	360 Application for Management Staff	\$50,000
<b>Organizational Structure &amp; Design</b>	Work Process Efficiency Analysis Study (discrete departmental work process analysis with consultant augmenting/guiding staff)	\$20,000
	Workforce Staffing Study (assess appropriate staffing levels based on work level & type)	TBD - FY2026
<b>Change Management</b>	Change Champion (loaded labor)	\$175,000

\* First year training would cover all supervisors and leaders, future training would be for new supervisors/leaders and reinforcement training for others.



1. Complete stakeholder interviews
2. Update findings and recommendations for the final report
3. MOA:
  - Assess recommendations
  - Identify what to pursue
  - Budget
  - Plan
  - Communicate
4. On to Phase 2: Execution

# Contacts

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