



Benefitfocus®

Employee Engagement Case Study



State of Indiana Overview

The State of Indiana, affectionately known as the “Hoosier State,” became the 19th state in 1816. Today it has just under 6.8 million people and covers more than 36,000 square miles. Their state motto is “Crossroads of America,” as Indiana is bordered by Michigan, Ohio, Kentucky, and Illinois. Home to the greatest spectacle in racing, they host the Indianapolis 500 every year in their capital bearing the same name. **Indiana is led by Governor Eric Holcomb and they employ approximately 30,000 employees.**

Background

In 2021, Benefitfocus and NASCA’s Research Committee developed a state survey regarding employee engagement efforts. The State of Indiana responded and agreed to a deeper dive conversation on their answers providing additional information on current efforts recently launched by the Governor. In January 2022, Commissioner Rebecca Holwerda provided insights on Indiana’s employee engagement efforts.



19th State

Population: 6.8M

Motto: Crossroads of America

Home of the Indianapolis 500

Governor Eric Holcomb

State employees: 30,000

Employee Engagement by Stage

Recruiting & Onboarding

The state of Indiana, like many states across the nation, recognizes they have a slow recruitment process with an average duration of 90+ days. While a lengthy time frame provides new employees transitioning to state employment more lead time to close out existing obligations with their previous employer, it's still regarded as cumbersome.

Onboarding has been a focal point for Indiana. When Commissioner Holwerda first started working in state government more than five years ago, she said, "I was given a packet of papers and a link to a website that I could visit for more HR information, and that was pretty much the extent of the onboarding that I received." This process has now been centralized, and employees receive robust training and onboarding services. Since becoming Commissioner, her agency is now personalizing efforts with senior leadership and veteran employees to provide a "warmer welcome" so on day one employee retention begins and the new employees know they are part of a team and not on an island by themselves.

Continuous Improvement

Indiana boasts a dedicated process improvement team within its Office of Management and Budget where agencies can request assessments and assistance from a centralized, experienced group of project managers. The state also leverages technology and data through its Management Performance Hub (MPH), producing dashboards that identify trends and help in decision-making.

Employee Retention

Once hired, Indiana has recognized the employee's perspectives are important to retention. The state provides an environment that encourages feedback on both work-related and personal issues of interest. One example is the benefit of being able to use two days per year for service-related activities to encourage employees to give back to their communities and charities of their choice while not having to use vacation time.

Indiana has invested heavily in an on-site health clinic for its campus employees. Basic health services are offered, as well as dental, vision, mental health, and physical therapy services. This helps employees stay healthy and get the care they need while avoiding lengthy travel times to appointments and reducing the amount of paid sick time that employees may need to take for these services.

Indiana has upgraded their tuition reimbursement program. Previously, an employee could only receive reimbursement for education supporting their existing position, but Indiana realized supporting all educational pursuits provides employees better opportunities to grow and achieve their career goals with the state.

Childcare has also been identified as an area of focus to improve retention. "I've had people leave state government due to the cost [of childcare] and even the uncertainty of whether or not their kids are going to be virtual or in-person at school, causing them to have to exhaust vacation days," said Commissioner Holwerda. Indiana does have a childcare facility on campus, but it is at capacity. The state plans to send out an employee survey to help assess further current needs and areas of potential growth for the future.



Remote Work

Prior to the pandemic, most state agencies did not have a remote work policy. Initially, in March of 2020, the majority of state employees quickly moved to remote work. In July 2021, all employees were required to come back to the office full-time unless arrangements were made to support employees who needed an exception. Commissioner Holwerda said, “When I first became Commissioner, I jokingly kept asking what is that super-secret remote work policy of the agency, because I don’t seem to see anyone in the office?” As a result from listening to employee feedback and learning more about industry best practices, Indiana is rolled out a hybrid work schedule, like many other states, to address the changing needs and desires of the workforce.

Compensation

Turnover is an issue for all states today, however, Indiana discovered it had additional challenges with pay equality, resulting in employees leaving one agency to work for another within the state for one to two thousand dollars more per year. To combat this issue, the state is conducting a comprehensive pay study for 950+ job classifications to create alignment.

In addition to helping ensure pay equality, Indiana recently approved a pay increase for all employees to address the disparity in salaries from competing organizations but recognizes this is only a first step. The six-month waiting period to utilize paid time off was removed and employees have allotted time off from the first day of hire. The state has kept health insurance premiums static and boasts a strong pension offering, which is now a rare retirement practice. “People will be able to see that the state does care about the employee and has their best interest at heart,” Commissioner Holwerda confirmed.

Prioritizing Employee Engagement from the Top

Indiana recognizes the need for a comprehensive approach to employee engagement. The Governor convened a task force last year to analyze and determine what should the future of state work look like in the next five, 10 and 25 years. This task force was comprised of large and small agencies, new and veteran leaders, and cabinet and non-cabinet members to ensure a holistic approach was taken and all perspectives valued. Commissioner Holwerda – a member of this task force – provided insight to the process stating “we discussed questions like what have we heard from employees? What are other states doing? What is the market demanding we do?” The task force developed a roadmap for the future of state work and the policies that would guide the changes.

In February 2022, Governor Holcomb announced the new state work policies that offered employees more workplace flexibility, enhanced their experience and wellbeing, and continued efforts to make compensation more competitive.

“We pledged to evaluate the employee experience to make sure that we are taking care of our most valuable resource – our people. These changes make the State of Indiana a more flexible employer who values continued education, employee wellness and recognition. These changes will set us apart as an employer that attracts and retains top talent.”

Eric Holcomb

Governor of Indiana

Indiana will implement the work policy changes in three phases:



Phase 1 included flexible work arrangements, education reimbursement, referral bonuses, a WHOLE Employee policy (which allows state agencies greater flexibility to conduct employee engagement, wellness, learning and development-related activities), community service leave, new employee leave time, re-employing retired state employees, and a bridge to retirement program.



Phase 2 will launch a dependent care support survey and re-establish the Governor's Public Service Achievement Awards in conjunction with a revitalized Spot Bonus Program to efficiently reward exceptional service by state employees.



Phase 3 will include the results and policy recommendations from the ongoing Comprehensive Compensation Study. The results of the study will help inform salary discussions for the next biennium budget.

In early 2022, executive branch employees received a general salary adjustment for the first time in 12 years, resulting in an average five percent increase. Annual performance assessments resulted in one-time bonuses for all employees paid in March 2022.

Conclusion

The State of Indiana, like many states, is addressing employee engagement to combat turnover and the “Great Resignation.” The governor has doubled down on long-term planning and has started to address the compensation divide. Best practices like on-site health clinics and childcare facilities, as well as work schedule opportunities for its employees are making state employment more attractive. Solving the challenges with onboarding and pay equality are also helping combat internal turnover while providing consistent pay for consistent work across agencies. Far from perfect, Indiana is taking purposeful steps to improve employee engagement and the value it provides its workforce, recognizing employees as true assets and “people” with needs that can be met with careful planning and execution.

Visit the [NASCA website](#) or the [Benefitfocus website](#) to explore key findings from the joint research project on employee engagement.



About NASCA

Founded in 1976, the National Association of State Chief Administrators (NASCA), is a nonprofit, 501(c)3 association representing chief administrative officers (CAOs)—public officials in charge of departments that provide support services to other state agencies. NASCA provides a forum for CAOs to exchange information and learn new ideas from each other and private partners. NASCA’s mission is to help state CAOs and their teams strategically transform state government operations through the power of shared knowledge and thought leadership.

About Benefitfocus

Benefitfocus (NASDAQ: BNFT) is a cloud-based benefits administration company committed to helping its customers and the people they serve get the most out of their health care and benefits programs. Through exceptional service and innovative technology, Benefitfocus aims to be a safe set of hands for its customers – helping to manage the complexity of benefits administration while delivering an experience that engages people and unlocks the potential for better health and improved outcomes. Our mission is simple: to improve lives with benefits.

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