

# Work reimagined

Government and public  
sector future of work



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working world

The last few years of disruption have driven employers and employees to different priorities, pressures and preferences. Organizations are now less reactive to the lingering consequences of the COVID-19 pandemic.

Employers are focused on combatting challenges related to attracting and retaining talent, incorporating flexibility into the workplace, aligning with employee expectations and leveraging emerging technologies. Employees are more concerned with wellbeing and combating burnout, enhanced total rewards packages and flexibility in the workplace.

The latest **EY 2023 Work Reimagined Survey** reveals government and public sector (GPS) employers need to be more aware of the gaps between employer and employee perceptions regarding wellbeing, work expectations, new ways of working, and the use of generative artificial intelligence (GenAI).

# Understanding a shifting workforce

As employees and employers look to adjust to this new work environment, the workforce itself is shifting, with baby boomers retiring and Generation Z (Gen Z) continuing to enter the workforce. The survey shows that 38% of Gen Z employees are more likely to quit in the next 12 months, compared to only 23% of baby boomers. While each generation of employees has a unique perspective on quitting, employers stated that 54% of their overall employee base is likely to quit in the next 12 months. This gap between employees and employers can partially be explained by a difference in priorities. Younger generations, millennial and Gen Z employees, demand more flexible work arrangements, prioritize their wellbeing, and

overall differ culturally from their peers and managers that may be of an older generation.

Enhanced total rewards is an area that all generations agreed on, with 71% of baby boomers and 75% of Gen Z GPS employees surveyed indicating they would like to see moderate to extensive changes to total rewards offered. Improving total rewards is likely to enhance employee satisfaction. Often, employers believe they've made progress to improve the current employee value proposition (EVP), while employees may not feel the benefits of or be aware of the progress. With the absence of a comprehensive total rewards package, employees are more likely to leave the organization.

**As employers continue their efforts to retain top talent, they should focus on several questions:**

- ▶ What can I offer my employees to increase their desire to stay?
- ▶ How can we align our organizational needs to current employee expectations?
- ▶ Does our culture align with employee expectations?

# Emphasizing employee wellbeing

Inflation persistence keeps pay, with enhanced total rewards and wellbeing, as employees' top focus area since 2022. The EY 2023 Work Reimagined Survey reveals pay is the top concern for 35% of employees globally. There is also a significant gap in how employees and employers view their total rewards packages, with better wellbeing programs and opportunities for increased total pay driving turnover. In a resource-constrained environment, it is often difficult for public-sector employers to compete with the private sector in terms of compensation. However, GPS employees are more concerned about employee wellbeing and addressing burnout than baseline compensation. Better wellbeing programs are ranked as one of the top reasons that GPS employees are attracted to a new job, employer or career. GPS employees (39%) and employers (20%) are roughly 1.5x more likely to be concerned about burnout compared to other industries (26% employees vs. 12% employers for global sample).

With nearly 40% of employees voicing concern for wellbeing and burnout, employers have an opportunity to address employee concerns surrounding wellbeing and really consider all the levers they can pull to make their workplace more attractive.

There is a significant gap (27%) between employee and employer perceptions regarding trust and leadership support. Of GPS employees survey, 44% say they trust their employer

and feel supportive of them, while 70% of employers believe their employees trust the organization's leadership and feel supported by them. Rebuilding trust is the key to solving the burnout concerns of employees.

To regain trust with their employees, employers should reshape their total rewards program including time off, recognition, wellbeing, health and retirement. Benchmarking employees' sentiments and establishing organizational surveys can be effective ways for employers to best gauge total rewards that resonate most with their employees.

While investing in total rewards is important, building trust between managers and employees on an individual level can be implemented by all levels of leadership, to not only validate employee opinions but also provide employees with the right tools to succeed. Increased levels of trust can also boost employees' sentiment of feeling valued, which can also combat burnout. This strategy can assist employers to retain as well as attract new talent by enhancing both total rewards and their larger EVP.

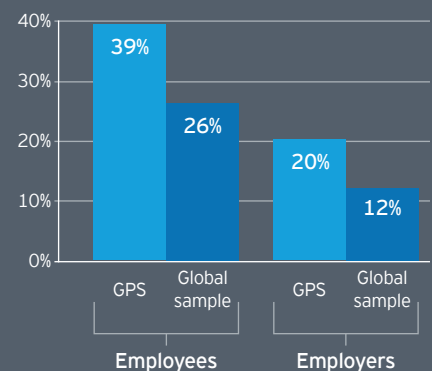
As employers reshape total rewards programs to enhance their total EVP, they will then be able to enable their programs to influence employee sentiment around change and transformation, new ways of working and leadership strategies.

**As employers continue their efforts of reshaping EVPs and total rewards, they should focus on several questions:**

- ▶ How are you including wellbeing in all the things your organization does?
- ▶ Is your EVP keeping your organization attractive to existing and prospective employees?

**Importance of wellbeing and concern of burnout as ranked by employees and employers**

*GPS vs. global sample*

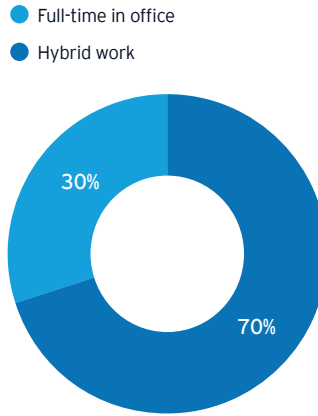


# Aligning to employees' new ways of working

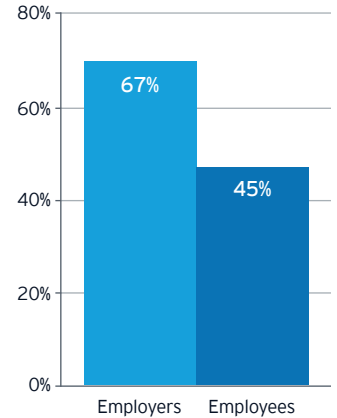
There is a perception that employers' bargaining power has strengthened since 2022 with the return-to-office (RTO) initiatives; however, employees are still in the driver's seat despite the increase of such initiatives. GPS employees continue to demonstrate a high preference for hybrid work, while roughly 30% prefer to work full-time from the office. A majority (67%) of GPS employers agree that their leadership team and managers are aligned regarding the approach to "new ways of working," whereas only 45% of GPS employees agree. This feeds into the larger gap between employee and employer perceptions around trust and new ways of working alignment.

The sustained growth in power to GPS employees since the pandemic began ensures that GPS employers will need to address the similarly sustained misalignment on ways of working, RTO and building hybrid workforces.

Hybrid work vs. full-time in office preference among GPS employees



Alignment with "new ways of working" as ranked by GPS employees and employers



As employers seek to close the gap in trust and employee sentiment regarding their leadership and employer approaches to their policies, employers should focus on these questions:

- ▶ What can I do to increase trust and align our expectations to keep the organization adaptable to change?
- ▶ How can managers be supported and trained to manage a hybrid workforce?

## Areas to explore

- ▶ How can employers implement generative AI as a solution to address these problems?
- ▶ How can employers be more transparent with their workforce to maintain their employees' trust?
- ▶ How can employers close the gap between themselves and their employees' perceptions, while focusing on wellbeing, employee expectations and new ways of working?
- ▶ How can employers cultivate a more people-first culture?
- ▶ How can employers focus on investing in new skillsets that their workforce will need to adapt to this new environment given the growing prevalence of generative AI?

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