

How Will Unemployment Insurance Agencies Respond to the Aging and Changing Workforce?



The Aging Workforce Dilemma

The Aging Workforce Poses Many Challenges and Opportunities for UI Agencies

There are many challenges that unemployment insurance (UI) agencies are facing, and perhaps one of the biggest is related to the current and impending changes to their workforce. There is no disputing the fact that there is a seismic shift occurring within the nation's workforce demographics. Baby boomers, who make up 30 percent of the U.S. labor force, are retiring in droves. By 2020, 25 million baby boomers will be leaving the workforce¹. The massive exodus of employees is problematic for UI agencies because of what the workers are taking with them – decades of institutional knowledge. According to the National Technical Assistance Research Center, “this ‘brain drain’ could result in the loss of key information about customers or practices that could be devastating to organizations.”¹

While it is true that massive amounts of baby boomers are retiring, many are working past the traditional retirement age. There are many external factors compelling retirement-eligible employees to continue working. The Great Recession of 2007-09 decimated the retirement accounts of older Americans.² With their retirement accounts severely depleted, many baby boomers are forced to continue working out of sheer financial necessity. Advances in healthcare are also improving health and wellness, leading to an increased life expectancy and a need for larger retirement savings. There are also internal factors that explain why retirement-aged workers continue to report to work every day. Many older workers still enjoy working and obtain satisfaction from making a positive impact on the respective organization.

Insurgence of a Younger and More Diverse Workforce

As the baby boomers retire, organizations are hiring much younger workers who have different workplace expectations. According to the Center for State and Local Government Excellence, the next generation of workers “consider the availability of state-of-the-art technology in the workplace when considering a job opportunity.”³ This is particularly troublesome for UI agencies because the emerging technical workforce is not adept at using their oftentimes aging and homegrown information systems.

In addition to the workforce becoming younger, it will increasingly become more diverse. From 1980 to 2020, the minority portion of the U.S. workforce is projected to double from 18 percent to 37 percent, according to the National Center for Public Policy. Without updated IT

Younger workers “expect employers to embrace technology in the workplace and the flexibility it brings to working lives.”³

technology, UI agencies will be hard-pressed to meet the demands of the new workforce while also striving to achieve business imperatives. Providing multi-lingual technology capabilities and the need to serve a more diverse claimant population will be critical.

1. Employer Strategies for Responding to an Aging Workforce. (March 2012). The National Technical Assistance and Research Center.

2. The Effects of the Great Recession on the Retirement Security of Older Workers. (March 2013). National Poverty Center.

3. Center for State and Local Government Excellence (December 2015). Workforce of Tomorrow.

The Answer to These Challenges: Modernize Your IT Legacy Solutions

In order for UI agencies to respond to the aging and changing workforce, they must leverage technology. Through strategic IT investments, agencies can capture institutional knowledge from their veteran employees while also ensuring they are an employer of choice for decades to come. According to the Center for State and Local Government Excellence's Workforce of Tomorrow report, "organizations must leverage technology, data, and automation to improve government operations and provide employees with the tools they need to be highly productive and successful."

Despite the widespread acceptance that technology can combat workforce challenges, many UI agencies still rely on decades-old IT systems. The business decision to continue using archaic technology is costly. **According to a 2015 survey of state Chief Information Officers, 80 percent or more of their annual budget is spent on maintaining existing legacy systems.**⁴

In addition to relying on old technology to deliver service in a digital age, many state agencies have not established the necessary plans or strategies to deal with the changing workforce. "HR directors responding to a recent IPMA-HR survey said succession planning is their top challenge, but only 27 percent are doing it."⁵ (IPMA-HR is an organization that represents the interests of human resource professionals at the federal, state, and local levels of government).

Modern and comprehensive technology can solve your workforce demographic challenges.

Sagitec's Answer to Your Workforce Challenges: Neosurance™

Neosurance™ achieves your succession planning goals and solves your current and yet-to-be determined business challenges. Neosurance™ is a fully integrated, browser-based application providing comprehensive functionality for UI tax and benefits administration. Neosurance™ comes with numerous features right out-of-the-box that ensures your agency can accommodate a diverse workforce.

Intuitive User Interface

A legacy system's user interface does not display data in a manner that is user friendly. This causes great strains on UI agencies and increases the amount of time to train new employees. Even veteran employees spend an inordinate amount of time on simple tasks because there are a number of exceptions, screens, and disparate systems where data is stored.

Neosurance™ integrates with all present and future technologies and consolidates UI agency data into one, integrated database. Users can easily retrieve and edit the data through the solution's intuitive user interface. The simple design reduces the learning curve for new users and rewards experienced staff with faster processing. Features, such as applications wizards, assist users with processing wages, payments, claims, adjudicating eligibility issues, and other highly important tasks. Agency staff can quickly learn about employer or claimant cases through the solution's dashboards and comprehensive inquiry screens. This functionality provides holistic, 360-degree views of claimants, employers, and agents on a single screen.

Additionally, the self-service portals improve data accuracy and business process efficiency, allowing your agency to achieve strategic objectives with fewer resources while simultaneously improving customer service.

Integrated Online Help

Neosurance™ has comprehensive training and online help embedded within the system that ensures new employees hit the ground running on their first day. Employees can create their own personal job aids by easily printing online training materials from most screens in the system. Furthermore, your claimants and employers have access to online help documents and training through the self-service portal. Integrating online help directly into the solution greatly reduces the time spent on training your key stakeholders.

Let technology train your new employees with integrated and comprehensive online help.

A Solution Catering to Workplace Flexibility

Neosurance™ is a web-based solution that enables the option of flexible work-from-home capabilities. This functionality ensures that UI agencies can cater to their younger employees' desire for flexible work schedules. According to the Center for State and Local Government Excellence, millennials "prefer to work on their own clock rather than a company clock." Neosurance™ allows UI agencies to revamp their work processes to cater to younger workers' needs and work preferences without sacrificing security and control.

4. Making a Digital Transformation. (April/May 2016). Government Technology.

5. Center for State and Local Government Excellence (December 2015). Workforce of Tomorrow



A Solution Catering to Workplace Diversity

The workplace will continually become more ethnically diverse and UI agencies can accommodate these changes through innovative IT solutions. Neosurance™ has multi-lingual functionality that ensures UI agencies can serve a diverse population. **Sagitec's multi-lingual self-service portals allow your claimants and employers to access their information and conduct business with you in their native language.**

Leverage Baby Boomers' Knowledge by Involving them in the Software Design Efforts

Most of the baby boomers who are still working occupy managerial positions and are highly motivated and results-driven. What better way to engage them then by involving them in the software design efforts. This activity will ensure their institutional knowledge is incorporated into the new system. Further, baby boomers will have great ideas about how to optimize business processes that can be included in the solution's design.

Organizational Change Management Services

Sagitec understands that resistance is part of change. Software modernization projects can cause staff members to worry that their positions will be eliminated or that they won't be able to learn the new technology.

To combat these challenges, we offer an Organizational Change Management (OCM) service that is tailored to each client's specific needs. We begin by conducting a needs assessment to determine change readiness levels. Then, we analyze the potential impact of the pending change on individuals and the organization as a whole. The results of the report guide the execution phase of our OCM process, which includes communication support, system adoption, and training.

A Solution That Adapts Quickly to Changes and is Poised for Continuous Evolution

UI agencies need to invest in technology that is highly adaptable to other business challenges – beyond the aging and changing workforce. At the rate that technology advances, UI agencies need to invest strategically in systems and processes that respond to the rapidly changing environment. Additionally, **the next generation of workers are technology evangelists and UI agencies must have the IT infrastructure in place to respond to their new ideas and ways of conducting business.**

Neosurance™ is adaptable to change because it's supported by a continuously evolving technology platform, called the Sagitec Framework™. As the Framework evolves, so do individual customer systems – regardless of when they were implemented. The Framework provides the foundation for every solution we build – but is logically separated from the business application. This separation allows the business solution and the underlying architecture to evolve independently as technology and business processes change. Beyond the Sagitec Framework™, the other layers of our software architecture can evolve independently. Our layered architecture provides UI agencies with unprecedented flexibility for adding new features and functionality when the time and resources permit. More importantly, our continued investment in the Sagitec Framework™ and our layered architecture approach mitigates the risk of technical obsolescence, orphaned software – or orphaned customers.

Our Credentials

Sagitec's technology framework and UI solution is transforming our clients' approach to public service, while also improving their business process efficiency, customer service, and federal performance measures. Share your vision with us and we will drive it into action!



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Our unemployment insurance team at Sagitec has been leading UI modernization efforts for

18
YEARS
in the industry

Our professionals have more UI technology and business experience than any other vendor, most with at least

8-10
YEARS
of UI modernization experience

This team has successfully designed and implemented

5
SYSTEMS
for UI tax & benefits

SAGITEC IS CURRENTLY WORKING ON PROJECTS IN...



West Virginia

(UI tax & benefit system)



Maryland

(UI tax & benefit system)



South Carolina

(UI tax system)



Washington D.C.

(UI tax system)

About Sagitec

Sagitec Solutions is a growing global software and IT company that designs and delivers tailor-made unemployment insurance, pension, provident fund, and health and life sciences software solutions to clients of all sizes. Understanding that a dynamic world requires dynamic technology, Sagitec offers solutions that are highly configurable and extensible by nature. With deep industry experience in software implementation and systems integration, project management, consulting, hosting and software support, Sagitec is a partner clients can trust to deliver mission-critical IT projects. Sagitec has multiple office locations and is headquartered in Saint Paul, Minnesota. Learn more at www.sagitec.com.



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