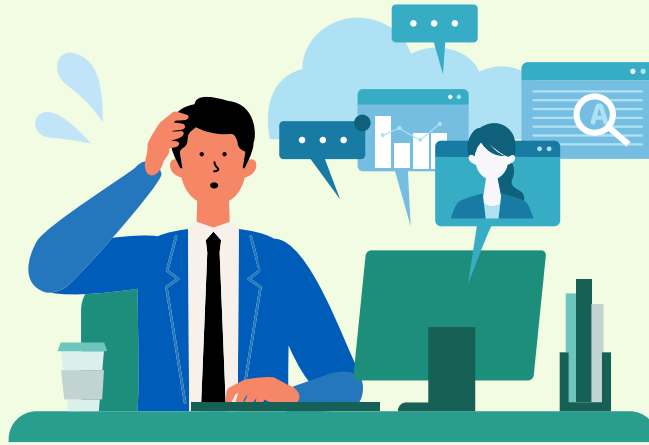




How Government Is **Pivoting to Data-Driven Workforce Management**

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Introduction

These are tough days for government managers.

The competition for talent is fierce, and there is no end in sight. Without a doubt, it's difficult for organizations to find and hold onto employees with the right skill sets.

According to the Partnership for Public Service, the timeline for a government organization to fill a position with new talent is 98 days on average, more than twice what it is in the private sector.

And filling positions isn't the only challenge. Managers are looking to address goals around diversity, equity and inclusion, and performance. They need to meet those goals in a way that leads to long-term staffing success — in both retention and talent development — among a diverse and highly skilled set of workers.

But they won't succeed at any of this if they try to tackle it piecemeal. Instead, they need to take a strategic, data-driven approach to workforce management.

To learn how organizations are approaching workforce management, GovLoop teamed up with Workday, which provides human capital management and finance solutions, to survey our community on current challenges, goals and strategies.

This report examines key findings and best practices, and shares insights that can help organizations improve their recruiting and retention practices.

Tough Search for Talent

It's no secret that the talent market is stiff across all sectors. But competition is even more pronounced for government organizations, which often struggle to compete with companies on pay and perks.

Nearly 70% of respondents to our survey reported that the job market is as or more competitive than it was three years ago.

This trend is hitting agency HR departments hard, said Rowan Miranda, Senior Managing Partner for Government Strategy at Workday.

"In many jurisdictions, you're seeing unprecedented surpluses, rainy day fund balances resulting from the bounce-back in the economy as well as all of the federal stimulus support that's come to governments," he said.

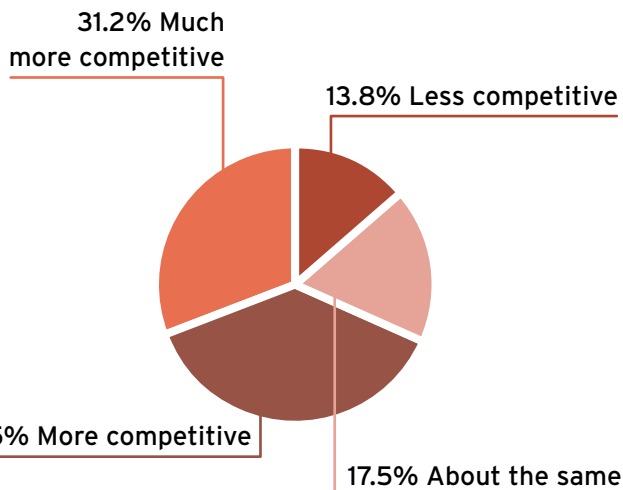
The surpluses include the \$550 billion new federal spending program encompassed by the Infrastructure Investment and Jobs Act, in addition to previous pandemic-related recovery bills. The new funds flowing to all branches of government, including state and local, can enhance how organizations provide services, but also present challenges in capabilities, especially with manpower.

"Governments have more money than ever before, so they're now able to undertake big ambitious projects, whether it's infrastructure or technology modernization," said Miranda. "But to do it, you need people."

Organizations need to not only find employees, but specifically ones with the critical skills to address the challenges facing governments today. More than 90% of respondents report some degree of difficulty – from "moderately difficult" to "nearly impossible" – in filling open positions with qualified employees.

The pandemic experience has caused workers to rethink their priorities, change tracks, seek higher-paying positions, decide to retire or simply leave the workforce.

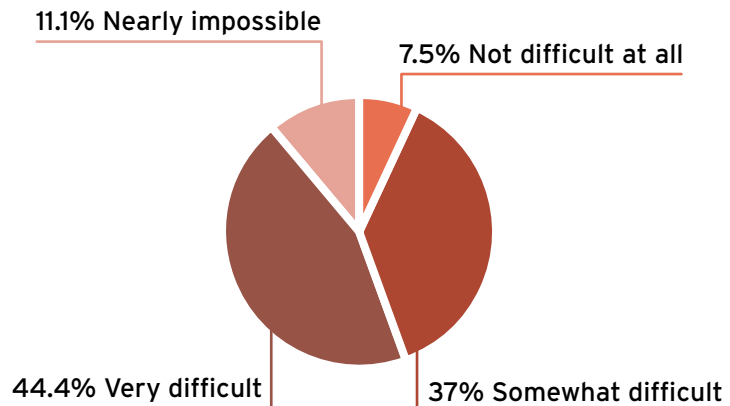
When recruiting new employees, how competitive is the job market compared to three years ago?



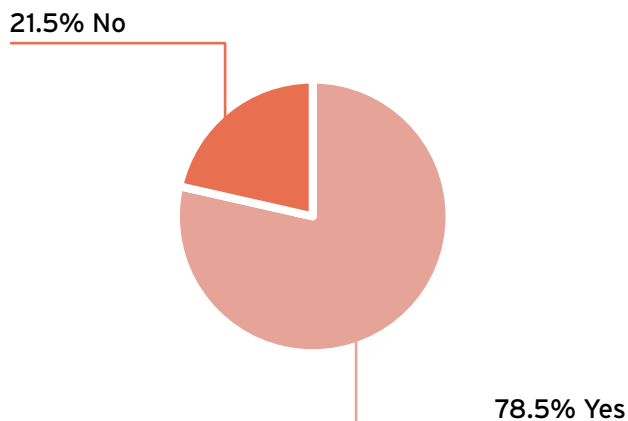
In particular, open positions soared during the summer and tapered off only slightly in the fall. In October 2022, the Labor Department reported that 10.1 million positions were open across all sectors. According to the New York Times, that means 1.7 unemployed workers for each open position, "the highest proportion on record."

Organizations especially struggle to retain employees in technical fields, where bigger skill shortages have ramped up competition for talent. As always, higher salaries in the private sector may woo employees away from the stability they find in government positions. The Partnership for Public Service pointed to data from the Office of Personnel Management revealing that attrition has been particularly highest with GS 1-4 workers and third highest with GS 5-7 workers, only slightly less than SES workers, who are likely to be retirement age.

How difficult is it for your organization to fill open positions?



Does your organization expect the pace of retirement to pick up over the next two or three years?



At the same time, the “silver tsunami” looms; it has been reported widely that the Office of Personnel Management expects the number of federal government employees eligible for retirement to rise 30% in five years.

Miranda noted that there’s also delayed or uncertain retirements to think about, in light of pandemic-driven changes. All those situations can present challenges for the talent well and making sure it doesn’t run dry.

In short, personnel directors at federal, state and local levels find themselves facing a dearth of qualified employees.

Turnover Takes a Toll

When there aren't enough qualified candidates, or when turnover is frequent, government organizations experience disruption.

Within the organizations, training can be costly and time-consuming. The loss of institutional knowledge that comes with turnover can considerably slow down an agency.

Workers who may be taking twice the workload during vacancies could feel a dip in their productivity and quality of life. Those who remain longer are then pushed to seek employment elsewhere.

And staff shortages also have long-lasting ripple effects. Fewer people means organizations could

put modernization efforts on the back burner, with day-to-day operations taking precedence. And day-to-day operations are likely hindered as well, slowing down constituent services.

"So recruiting and retention challenges are dampening the ability to move the business of government forward," said Miranda. "Especially in terms of ambitious projects that they periodically need to take on."

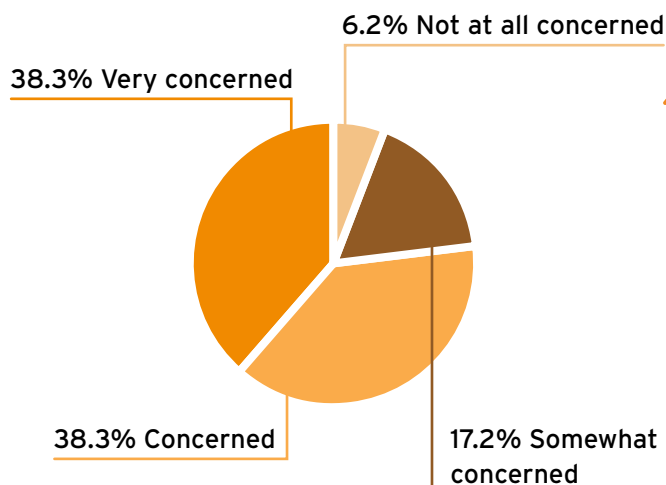
He said that one of the keys to recruiting workers to government employment is helping them realize that it's a great place to work. In a hot economy, private sector salaries are appealing. When the economy slows down, however, the stability of government positions is a clear value.

And once people are on board, the key is to ensure that employees have a good work experience.

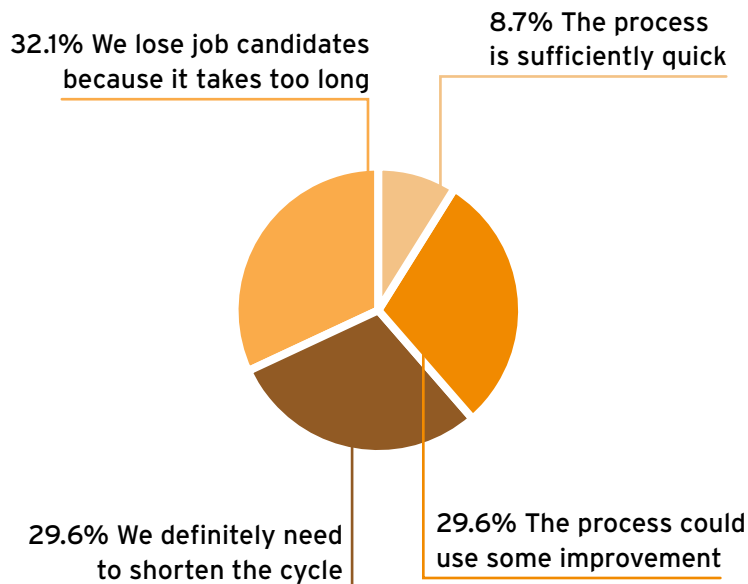
"Government leaders can be better managers, make jobs much more rewarding and provide more work-life balance benefits, including health and wellness programs," Miranda said.

Additionally, modern, IT-enabled workforce processes – from recruiting, hiring and onboarding to performance management – make a difference in how employees see the organizations they work for and how they experience their work life. If a candidate experiences an awkward or very slow recruiting and hiring process, there's a chance he or she may feel less trusting of the organization and look elsewhere for a new position.

To what extent is your organization concerned about quality employees being hired away?



How would you assess your organization's ability to recruit and onboard candidates in a timely fashion?



The human connection is extremely important in hiring and retention, and that needs to be supported by appropriate talent acquisition software.

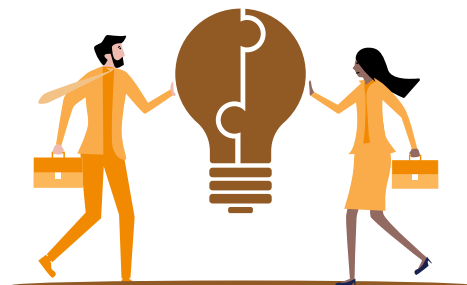
"Hiring shouldn't be any more complex in one industry versus another," said Miranda. "There are civil service rules, union rules and a host of other processes specific to government hiring, but you can still make it an efficient process. Leading cloud software for recruiting and hiring is delivered with embedded best practices."

Organizations need HR professionals who know how to interact with current and future employees. They need HR systems and software that do as well. User-friendly self-service is

crucial, including during the onboarding process. It not only supports cohesiveness and standardization, but it gives employees a feeling of safety and optimism about the organization as a whole.

"Onboarding should be a seamless experience for the employee, helping to make them feel like they've joined a world-class organization," Miranda said. "Onboarding is so important to address, because it's the first part of the relationship between the employee and employer and can set the tone for the entire employee lifecycle."

Less dissatisfaction and more positive employee engagement, even at the entry point to a career in government, can decrease turnover considerably.



Hybrid Management Comes Into Play

As with many private sector organizations, government organizations are under pressure to offer hybrid and remote working arrangements, especially given the competition for talent.

Hybrid and remote flexibility can increase employee satisfaction and engagement, and boost staffing longevity and stability. But along with the many benefits of such arrangements come challenges. Only 21% of respondents say that managers have the tools they need to track employee performance in a remote environment.

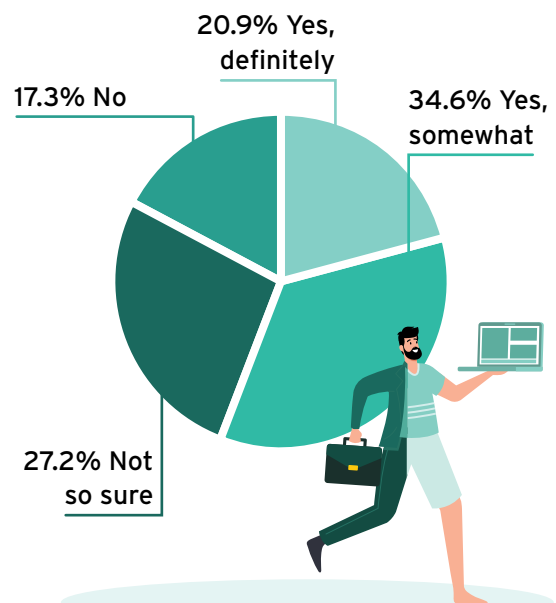
"Today, nearly everyone recognizes the importance of tracking performance and motivating employees in a remote environment," said Miranda. "But we're only beginning to get that experience. There are a number of reasons why managing performance remotely is so difficult. One is just culture. You might now have a culture of trust with employees and have to adjust supervisory practices. How do you supervise remotely? It can be done, and I think it has to be done."

While most organizations allow some remote work, Miranda noted that it's still transitioning into a permanent feature of employment, and agencies need to figure it out.

Communication and collaboration features — such as alerts to provide candidate feedback, reminders for performance evaluations and other

aspects of business intelligence — can be built into an electronic work environment. With those capabilities, government administrators can move forward with greater connectivity, no matter where staff members are physically.

Do managers have the tools they need to track the performance of employees in a hybrid work arrangement?



DEIA on the Agenda

While many organizations have goals around diversity, equity, inclusion and accessibility (DEIA) – as well as mandates they must follow – the value of DEIA goes far beyond both. Only a diversified workforce can drive an agency to fully reach its service goals, represent constituents and serve equity in the world at large.

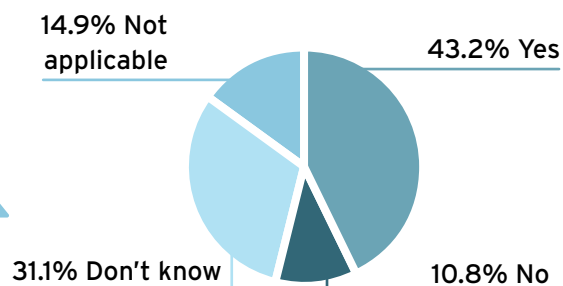
Thus, DEIA is absolutely necessary to consider when hiring. And in government, it is especially important to look at how staff demographics align with constituent demographics.

President Biden's June 2021 Executive Order on Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce stated that the federal government "must be a model for diversity, equity, inclusion" and "must strengthen its ability to recruit, hire, develop, promote, and retain our Nation's talent and remove barriers to equal opportunity." The order mentions the need for greater resources to that end and the evidence that performance will rise with those equity, inclusivity and accessibility practices in place.

But how is a diversified workforce created?

While most respondents say their organization has goals toward DEIA, less than 50% say that there are tools and processes in place to help meet those goals and ensure adequate constituency representation. To progress with DEIA, organizational data, comparative data and progress-tracking are crucial in hiring, onboarding, training and retention.

Does your organization have the tools and processes needed to work toward its DEI goals?



"With siloed or paper-based systems, organizations run into difficulty confidently stating the demographics of their employees – even basic ones such as gender makeup," Miranda said, "because data collection and tracking don't happen frequently enough. Ideally, DEIA tools that measure where an organization stands against relevant peer benchmarks is the way to go."

With a sound end-to-end HR service delivery method, all data are kept in the system: onboarding progress, performance and demographics.

Data Is the Deal

Big decisions are difficult, and they can't be made in the dark.

Recruiting, hiring and career management are part of a multi-pronged process for both the agency and the candidate or employee. Clear data shines a light on patterns, progress, problems and what questions need to be asked in order for managers to make decisions about recruiting, aligning and retaining employees.

Research and data-based technology and software can help agency processes — such as hiring and onboarding — become less fragmented and more flexible, with a better workflow.

But it's not just "data, period." Timing matters. In a fluid and fast-paced talent market, feedback and numbers from two years ago may not help an agency with its current hiring and retention issues. So you can't have a periodic or biannual data harvest carried out as an isolated process.

Continuous data collection and evaluation provides the complete, up-to-date picture of employee progress and satisfaction.

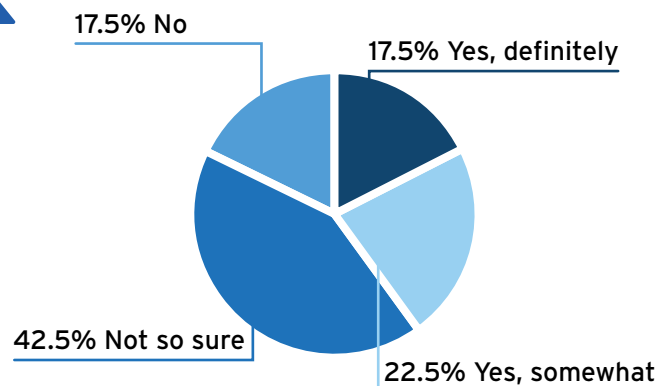
In the past, organizations may have needed to hire a consultancy to identify retention issues, but a responsive engagement platform, which gathers employee engagement data continuously, eliminates that need and that cost.

Organizations should collect data regularly, whether that's by conducting a survey monthly or quarterly, or by asking a few questions every

week, Miranda said. "And with that anonymous feedback, you can see how you're doing, and you can take action when something about your policies and practices doesn't sit right with the workforce," he said.

Acting on that data will improve employee retention and the culture of the workplace, he added.

Does your organization have the data needed to manage the talent pipeline, aligning recruiting and retention strategies with workforce needs?



Additionally, data can help organizations prepare for the future. As they monitor data on retirement trends, they can take a more proactive approach to hiring and succession planning. Succession planning can't be done based on qualitative or anecdotal information — or, at least, it can't be done well that way.

In short, analytics need to be integrated into every aspect of HR operations, Miranda said. "It has to be endemic to the system, and not as a separate data warehouse project," he said.

Further, organizations need a single integrated system that enables them to look at data across different functions, from recruiting and hiring to training and succession planning.

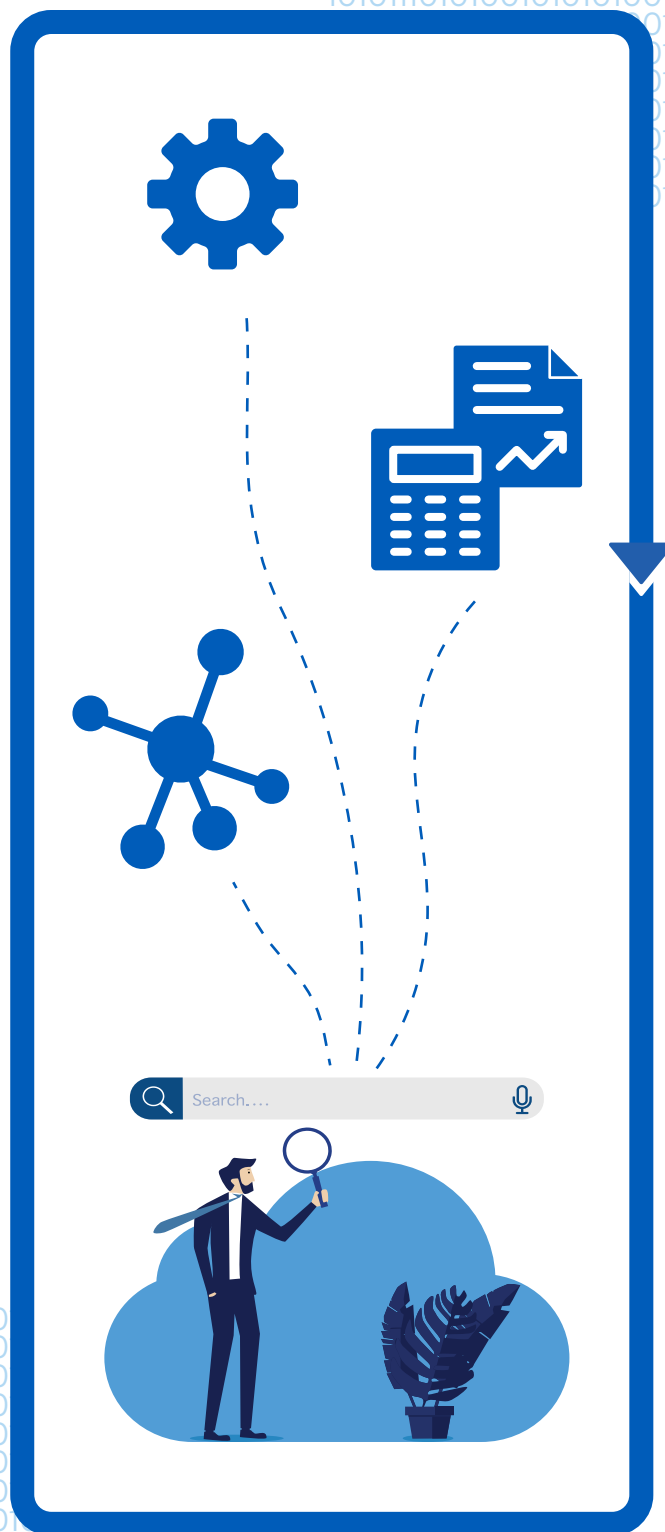
That's a big change for most organizations, which tend to buy software in piecemeal fashion. But that piecemeal approach leads to data silos, which make it difficult for HR specialists to analyze data and make connections across those different functions. That difficulty has consequences, Miranda said.

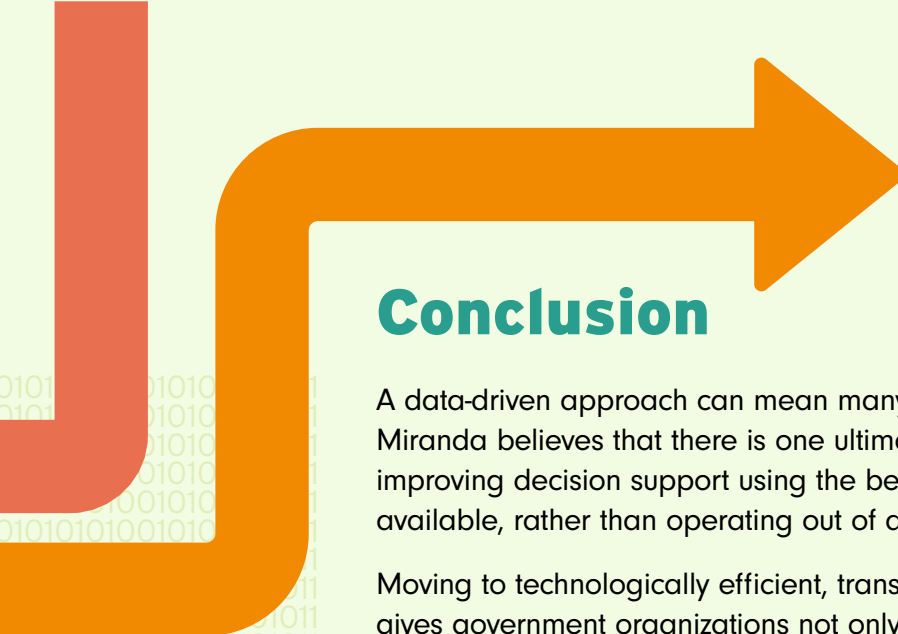
"If you have a pleasant user experience, folks are more likely to use the technology, rather than having a shadow system on the side, a spreadsheet or a paper log," he said. An integrated system "can promote collaboration as never before."

Miranda said that studies by Workday have shown that cloud-based HR systems with more automation and standardization have helped managers decrease the recruit-to-hire time by as much as 83% and reduce onboarding time by up to 81%.

"A rich user experience in recruiting applications will only help generate the broadest interest in a candidate pool," he said.

Different HR functions can exist and be integrated in one common platform, and that integration can prevent issues that come with data silos. The more products an organization uses within a system like the Workday suite, the higher the quality of any data-based analysis.





Conclusion

A data-driven approach can mean many different things. But Miranda believes that there is one ultimate goal: "It's about improving decision support using the best information and analysis available, rather than operating out of a gut instinct," he said.

Moving to technologically efficient, transactional HR systems gives government organizations not only the data required to be responsive and forward-thinking, but also the flexibility to adapt to a constantly changing and competitive workforce landscape.

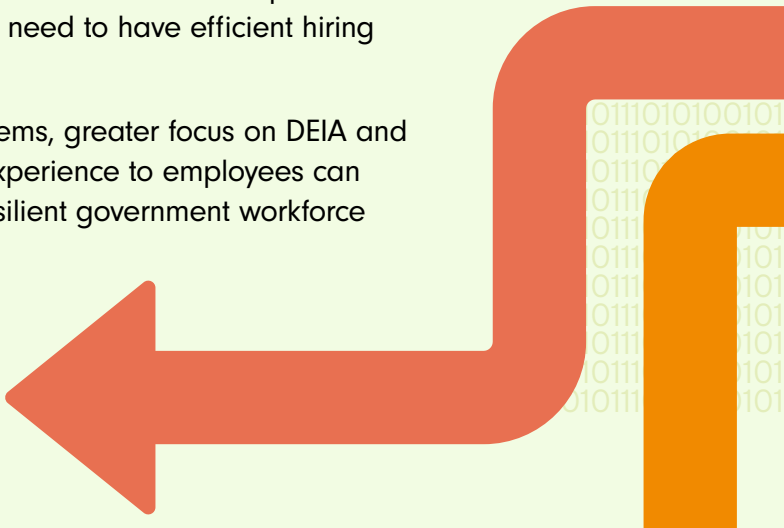
In hiring, onboarding and management, organizations can turn excessive layers of step-by-step review and approval that slow processes into visible, integrated datasets that managers can evaluate more frequently.

Miranda finds that as enterprise systems compile volumes of transactional and workforce data, it becomes easier to tap this resource for business intelligence. In using technology for a new, data-driven approach, he recommends the following key steps:

- Develop a data strategy that supports agency goals.
- Identify gaps and find the salient business questions that you cannot answer right now.
- Develop action plans to gain access to data that will give you the insights to answer those questions.
- Continuously improve. As more information becomes available and people gain experience with data analysis, you can improve predictive power.

The employment landscape may become more or less competitive in the coming years and reverse course multiple times. But government organizations need to have efficient hiring mechanisms in place regardless.

The ease of data-integrated HR systems, greater focus on DEIA and offering a technologically positive experience to employees can lead to greater retention, a more resilient government workforce and better-served communities.



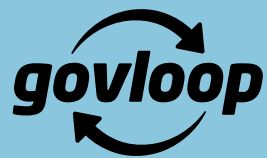
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Workday is a leading provider of enterprise cloud applications for finance, HR, and planning. Founded in 2005, Workday delivers financial management, human capital management, and analytics applications designed for the world's largest companies, educational institutions, and government agencies.

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