

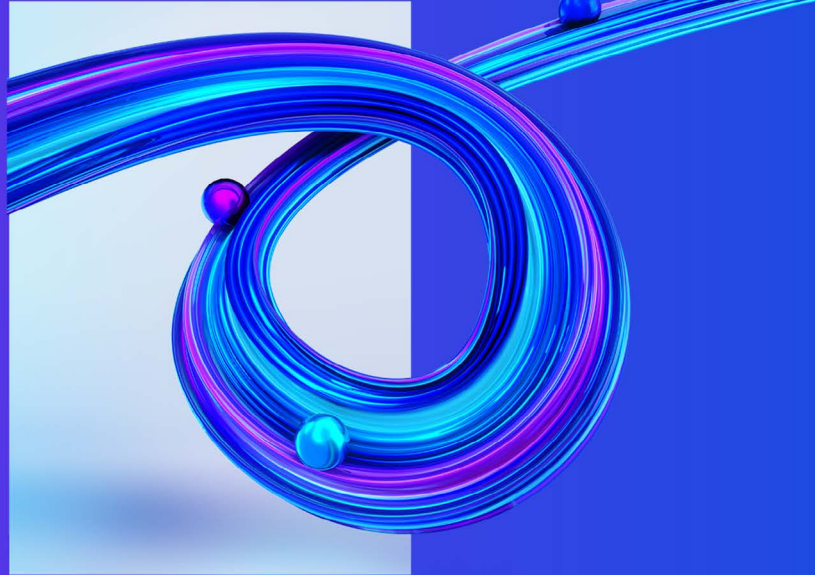


Re-think workforce models

KPMG Smart Government

Catalyse digital progress

Insight Briefing



Plan for a workforce for the future

One drizzly March 2020 day, Gloria took the Tube to the office as usual. When she got there, she had to send her entire government department staff home to help keep them safe. How could her employees work virtually? Would they have phones, computers, and network access they needed to do their jobs? Could managers lead their scattered teams? How would employees learn new processes? Would they give up and leave? Gloria knew she had to take care of her team and make sure they were able to provide the important services on which residents depended. She stayed up all night digging for answers in every contingency and crisis plan she had. Nothing spelled out what to do if operations went virtual overnight.

Everything changed that day. All sectors, including Gloria's and her peers' government organisations, had to rethink how they did business overnight. Some industries coped better than others, but no one was fully prepared. Many government organisations learned the importance of attracting, engaging, and retaining employees. Some realised they needed to **accelerate their modernisation timeline**, then adapt their **workforce planning and engagement strategies** to function within a modern structure. The worker pipeline challenge was already growing. UK Public sector

employments share out of total employment was 17.5% in 2022, which is a 4.8% drop from 2010¹. Leaders in modern governments witnessed how, by using an employee-centric lens, they could evolve their organisation to stay relevant and reflective of a diverse workforce. This article offers tips for creating flexible work environments that can help attract, engage, and retain your workers — no matter what crisis hits.

Why smart government is important

Government organisations and departments around the world should modernise in order to keep up with changing user needs, regulations, and health and public safety requirements. Leaders involved in government modernisation are reviewing their user's experiences to plan what upgrades are needed in their business processes and service delivery models.

This article is one of a series that features how modernising can affect the government workforce and the user experience, improve security and public trust, and accelerate the digital journey. KPMG offers insights intended to help guide governments and public sector organisations in their modernisation efforts to encompass all processes, technologies, policies, and the workforce so each works together to create connected, powered, and trusted organisations.

¹ Public sector employment as % of total employment; UK; HC; NSA; percentage, 13 December 2022, ONS.



Attract: Adopt a new way to recruit

The pandemic forced public sector organisations to change their recruiting processes. Workforce planning before 2020 for many departments was a headcount exercise to determine budget allocations and staffing needs. People looking for jobs have choices, so leaders must think more strategically to attract employees.

Including new approaches in a **strategic workforce plan** can improve recruitment hiring timelines, and builds skills and capabilities to fulfill future needs. For example, the public sector hiring process takes 53.8 days, on average. That's around double the time for job's within the private sector in the UK that take around 27.5 days to complete. This may dissuade some potential candidates to even consider applying.

Government leaders no longer have to rely on historical hiring trends or out-of-date job descriptions to attract employees. **Technological advancements** allow government organisations to provide **what the future workforce expects**, including expanded and faster virtual recruiting efforts.

As hybrid and remote roles are becoming more of an option for some public sector organisations, that are able to, modern governments that adopt flexible **work-from-anywhere principles can continue to attract skilled talent** like their commercial counterparts and potentially expand their recruiting pipelines to the regional or national levels. While this may not be an option for some public sector organisations, it is a principle that is desirable for future candidates. What attracts employees to a job has changed. For example, organisations must treat millennials and generation Z candidates as consumers to build a sustainable remote work environment. Working from home is most popular with polled millennials, according to YouGov, with 15% stating they would prefer to do so after the pandemic³. 99.6% of UK civil service employees felt

that their home environment enabled them to work productively⁴.

Government departments also must focus on the growing need to **increase underrepresented talent within recruiting pipelines**. The civil service diversity and inclusion strategy: 2022 to 2025, from the UK government, calls to welcome talent from a range of backgrounds, experiences and locations, engage the communities served and support innovation, performance and engagement⁵. 14.3 percent of civil servants in the UK were from ethnic minorities and 13.6 percent were classified as disabled in 2021. The representation of ethnic minority staff was in line with the wider working population (13.6 percent of the UK's working population were from ethnic minorities in July 2021); however, disabled staff was still slightly underrepresented (14.7 percent of the UK's working population were disabled as at March 2021). Civil servants who are disabled, from an ethnic minority background or a woman are more likely to be in more junior roles. Public sector organisations should follow the same guidelines so everyone has opportunities to earn a living wage and potentially improve area economies.

Each government department should revisit its diversity, equity, and inclusion policy and guidelines to make sure they take into account flexible and other new work approaches. Virtual-friendly tools enhance human resource software to enable more accurate, fair, and efficient talent decisions. For example, some use artificial intelligence (AI) to analyse data across the entire employee lifecycle. This allows the system to accurately screen and match talent while automating administrative recruiting tasks. Some recruiting software also provides data-driven insights on diversity, equity, and inclusion.

As skills evolve and the fight to attract candidates with the right skills intensifies, job seekers are in control. They have multiple employers from which to choose and an assortment of ways to evaluate prospective employer brands to determine if they fit with the organisation and its values. The public sector has an opportunity to build an attractive brand of which job seekers want to be a part.

² Job Interview Statistics, "Standout CV, March 2022.

³ Are Millennials Sick of Working From Home Yet?," HSO.

⁴ Home working and the UK civil service, Government property agency

⁵ Civil Service Diversity and Inclusion Strategy: 2022 to 2025, 24 February 2022, Gov.UK. Civil Service Diversity and Inclusion Dashboard", GOV.UK, May 10, 2022



Engage: Fulfill a modern employee value proposition

In the past, set work hours, attractive pensions, and job security were enough to engage workers. Many people now look for **flexibility, transparency, and safety** to thrive in new work realities.

Flexibility comes in many forms, from flexible work hours, to allow for personal obligations or family care, to the ability to visit an office as needed or for networking opportunities. Of course, some departments, like those that utilise confidential information, require workers to be on site. For those that are able, offering flexibility may require policy and procedure changes, along with redefining what productivity and accountability look like. With traditional office walls melting away, the modern employee value proposition must also give employees the flexibility to click a button to access learning, benefits, and career opportunities, anywhere and anytime, the same way they book an Airbnb, order an Uber, or select groceries for home delivery.

The public sector has an opportunity to discuss how to continue offering their employees flexibility while effectively measuring their productivity. There is no single way to measure productivity. Instead, teams should work together to define an approach that works for their people and the work that they do. With a flexible approach, employees are more engaged and productive, and organisations can reduce real estate investment by lessening the need for physical workspace.

Emulating a flexible consumer experience should be a top priority for government departments to engage and retain their employees rather than reverting back to old ways of work.

Transparent communication is a critical part of organisational culture. Departments should talk about their cultures with honesty. They should also use engaging media to encourage dialogue. With most workers having returned to offices, many seek more employer-provided mental wellness resources. Wellness is especially important to millennials and generation Z, as people under the age of 34 make up 35% of UKs labour market⁶. An organisation's ability to offer resources that support mental and physical wellness is a pillar of transparency.

Employees expect their workplaces to be **safe**. They should find a clear employee safety commitment in organisation values alongside the pledge to support inclusion and individual respect. With a strong culture at the forefront, public sector departments need enforceable, widely communicated policies surrounding workplace safety that address preventing illness, physical safety, and employee discrimination.

The current workforce generations have similar but varying preferences for what they value in the workplace according to these Gallup pulse study results. Well-being and ethical leadership appear for all three generations.

⁵ Tom Ambrose, "Jacob Rees-Mogg says civil servants must return to the office", Federal News Network, April 19, 2022.

⁶ Labour market overview, UK: October 2022, ONS, 11 October 2022.

What employees look for in their employer, by generation

Generation X: 1965–1981 ¹⁰	Millennials or Generation Y: 1982–1994 ¹¹	Generation Z: 1995–2010 ¹²
1. Democratic working environment, with a good work-life balance .	1. Democratic working environment, with a good work-life balance .	1. The organisation's leadership is ethical .
2. Work in a relaxed, open and friendly environment .	2. The organisation's leadership is ethical .	2. Democratic working environment, with a good work-life balance .
3. Value accurate feedback on their work.	3. The organisation is diverse and inclusive of all people.	3. The salary the organisation is offering.

Retain: Train your talent

If Gloria had told her employees four years ago that they would work virtually today, her team would not have believed her. Despite the reputation for being ill-prepared to handle rapid change, government organisations moved away from traditional ways of working. Fast. The pandemic forced the move, but it is working. Such changes in the way people work have resulted in a massive need to re-skill and up-skill employees in new, creative ways since day-or week-long classroom training was not possible.

Upskilling employees will be a vital component of successfully adopting new ways of working. Employees now value and expect to learn in the flow of their daily tasks. In a 2022 whitepaper report, only 38% of people working in government and public administration in the UK felt they have access to up-skilling training and only 16% had access to re-skilling training⁷. Artificial intelligence (AI) enables bite-sized learning that allows employees to refresh

their skills from anywhere and at any time. For example, Microsoft is integrating social-driven, accessible learning opportunities into Microsoft Teams to enable employees to learn while they work.

People value convenience as the nation experienced when consumer spending skyrocketed at one-stop, big-box retailers such as Amazon during the pandemic.⁸ Learning must adapt to meet these consumer expectations for easy access while in the moment. A shift to convenience and self-service inspires employees to take a more active stance in their learning journey. It also encourages them to seek out knowledge when they need it instead of when employers advise or require it. A study found that only 49% of public sector workers in the UK in non-managerial positions believed their potential was being fully realised at work⁹. Achieving the goal to provide flexible training will require government departments to invest in new learning tools and technologies as well as the know-how to use them.



⁷ "New research highlights gaps in UK's workplace training provisions", FE News, April 2022.

⁸ "A tale of two pandemics: Big-box stores rake in record profits while small businesses fold," NBCNews.com, August 20, 2020.

⁹ "Public service as a career of choice, March 15, 2021

¹⁰ "9 key characteristics of Generation X in the workplace", Indeed, July 5, 2022

¹¹ "Generation Y in the workforce", Indeed

¹² "What do Gen Z employees want?", Perkbox, May 30, 2022

Embrace work from anywhere

Government departments and organisations have learned over the last three years how they need to operate differently to attract, engage, and retain their workforce. Employees are no longer resources. They are diverse consumers with distinct needs. Public sector leaders need to actively work to understand these needs. The organisations must provide an experience that equally supports the organisation and the employee throughout their career. This may mean flexibility in work schedules and locations for departments that are able; non-traditional ways of recruiting to support diversity, equity, and inclusion efforts; and more opportunities to learn in the flow of life.

Every public sector organisation is unique. We challenge you to ask questions such as these that can help you and your employees succeed:

- ➔ When recruiting new employees, does your organisation use criteria that tie to your department's values?
- ➔ How do you incorporate diversity, equity, and inclusion programmes and practices to achieve short-term and long-term goals?
- ➔ What discussions take place in your organisation about actively engaging new and incumbent employees?
- ➔ How do you review, manage, and implement diversity, equity, and inclusion programs that produce meaningful results and engage your people?
- ➔ When considering retention, what strategies does your organisation use to continue to be an attractive option to employees while also accurately measuring productivity in hybrid work environments?

KPMG firms hope to continue to challenge government departments and public sector organisations to self-reflect and think more critically about their employees and the way that they attract, engage, and retain talent. KPMG helps government organisations improve processes, systems, and services. As a result, each department and organisation that is able can better allow work from anywhere to appeal to current and future employees while also focusing on the services they provide and the citizens they serve.

Steps to begin

Governments and public sector organisations owe their current and future employees great experiences. It is up to you to add what organisations learned over the past year to your workforce strategy and seize the opportunity to make work from anywhere work for anyone. Take these steps to begin:

- 1 Create a strategic workforce plan** that includes new recruiting processes and tools.
- 2 Adopt work-from-anywhere** to appeal to millennials and generation Z and support diversity, equity, and inclusion efforts.
- 3 Reflect flexibility in the workplace** in your policies, procedures, and how your organisation measures productivity and accountability.
- 4 Practice diversity, equity, and inclusion.**
- 5 Create consumer-like experiences to engage employees** to access learning, benefits, and career opportunities.
- 6 Talk about organisation culture with candor.**
- 7 Provide mental wellness resources** to appeal to millennials and generation Z.
- 8 Articulate employee safety practices clearly.**
- 9 Adopt technology that enables learning and training within** the flow of employees' daily work.



About KPMG

KPMG firms have many years of experience of working with national, regional and local governments, so we know how departments work. KPMG professionals understand the issues, pressures, and challenges you encounter in the journey to modernise. Drawing on KPMG firms' government operations knowledge to offer methodologies tailored to help you overcome these challenges and work with you to deliver the results that matter.

KPMG teams start with the business issue before we help clients determine their preferred approach because we understand the ultimate mission. When the way people work changes, KPMG firms can offer client insight on leading training practices to help ensure your employees have the right knowledge and skills. KPMG in the UK is one of the largest learning providers in Europe, specialising in helping our clients build the skills and talent they need for future plans. With our Powered Government offering we provide a blueprint for a customer centric, digitally enabled public sector organisation.

KPMG firms are committed to helping clients create value, inspire trust, and help governments deliver better experiences to workers, citizens, and communities.



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