Federal agencies *can* get hybrid work right

Method to design a flexible work experience

Time for employees to return. Now what?

The concept of work is undergoing a revolution. Employees demand flexibility, autonomy, and more control over their environments. A survey shows 73 percent of employees want flexible remote work options to stay while 65 percent crave more in-person time with teammates.[1] Employers are listening—70 percent of 510 surveyed employers with a flexible work program already in place plan to adopt a hybrid work model.[2] To survive the massive cultural and operational changes, organizations must replace old ways of thinking with a new model.

Now agency leaders across the federal government face a multistep process and juggle complicated variables to determine how their employees will work in the future. The two facts they can count on are that hybrid work is here to stay and employees are getting more difficult to retain.

Deciding to adopt a hybrid work model is the easy part. Creating a model that works for your organization is much more complex and requires a systemic approach. Federal agency leaders can use this article as a **guide to help design an effective hybrid work experience** for your teams. We explore **questions to ask and knowledge and tools** leaders need to formulate a hybrid work experience that can increase engagement and retention in your organization.

Why modern government is important

Government agencies in the U.S. must modernize in order to keep up with changing user needs, regulations, and health and public safety requirements. Leaders of modern governments rethink business processes and service delivery models to more effectively achieve their mission. This article is one of a series that features how modernizing affects the government workforce and the user experience, improves security and public trust, and accelerates the digital journey. KPMG team members offer insights intended to help guide governments in their modernization efforts to encompass all processes, technologies, policies, and the workforce so each works together to create connected, powered, and trusted organizations.

Hybrid work model: A blended system of how and where people work that combines in-person and remote work and infuses technology into human lifestyles.

[1] Source: Microsoft, "Microsoft 2021 Work Trend Index," March 22, 2021.
[2] Source: HR Dive, Ryan Golden, "Most U.S. employers with flexible work plans choose hybrid work, Mercer says," July 14, 2021.
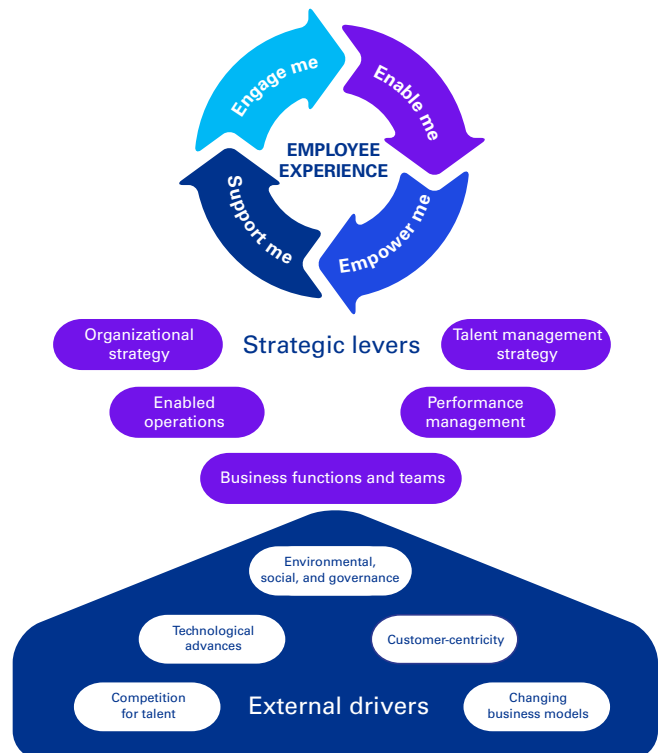
Strategy should guide your decisions

With the federal government battling a year-over-year employee engagement and satisfaction decline,[3] many leaders have started moving their organizations from temporary remote working to a more permanent work model. In addition to engagement and satisfaction, leaders face challenges ranging from talent recruitment, upskilling, inclusion, and employee well-being. Designing the right workforce solution is an imperative, but how do leaders know what will work?

Leaders must have a near-term and long-term workforce strategy that considers environmental trends, their organizational context, the organization's mission and business needs, and human capital needs and priorities. It must also use a systemic framework supported by data insights. Each organization is unique with no one-size-fits-all approach. We can support your organization by **aligning the strategy, objectives, and goals with employees' needs for autonomy, purpose, and well-being.** Then **design employee experiences that prioritize flexibility.** The right strategy can guide you to a hybrid work experience that creates value in the organization, improves how work gets done, and keeps employees engaged.

Hybrid Work Strategy

Engage me
Enable me
EMPLOYEE EXPERIENCE
Support me
Empower me

Strategic levers

Organizational strategy
Talent management strategy
Enabled operations
Performance management
Business functions and teams

Environmental, social, and governance
Technological advances
Customer-centricity
Competition for talent
External drivers
Changing business models

[3] Source: Best Places to Work, "A Look Across the Federal Government," 2021.

Considerations for your hybrid design

This systemic method can guide you to design a hybrid work model that delivers a customer-grade employee experience—one that moves organizations away from surveillance and toward focusing on outcomes. Each step includes questions to support analysis and implementation.

1. Organization strategy: While organizations will continue to face a multitude of integrated challenges, including rising inflation, disrupted supply chain, rapid technological growth, and tight talent market, they have an opportunity to shape their uphill journey. Reflect on how your organization can enable strategy in a hybrid model. Recognize that existing systems and mental models will impact how you frame the solution but avoid designing on top of old systems and models.

Q. How are the various external trends shaping our ability to achieve our organizational mission and strategic priorities?

Q. Are our organizational priorities and goals clear to employees?

Q. Do employees understand and know how they contribute to our strategy, mission, and goals?

2. Human capital strategy: Understand your strategic workforce needs within the context of disrupted and changing work and how your organization can attract, develop, and engage talent today and tomorrow. We work with clients using an Employee Experience framework to design the employee journey in a hybrid environment. The framework helps identify priority areas to consider, such as onboarding in a hybrid environment. The framework also helps assess the skills leaders need to effectively lead a hybrid workforce and how to foster continuous learning.

Q. Do we facilitate employee engagement and belonging with more frequent check-ins, goal setting, and real-time feedback?

3. Hybrid-enabled operations are the governance, policies, and processes that allow effective, technology-enabled accessibility, flexibility, and information flow. Policies should connect with the organization strategy and enable organizational, team, and individual flexibility and well-being. Conduct research and pilot ideas in different parts of the organization before introducing policies that apply to all.

Q. How do our policies support a flexible working environment?

Q. What processes do we need to re-examine to ensure maximum effectiveness in a hybrid environment?

Q. What technology enabling/collaboration tools do we need to encourage connectivity and employee collaboration?

4. Business functions and teams: Each function does not need its own hybrid model. Identify functions and teams that can work effectively within a hybrid model.

Q. What teams require some face-to-face time?

Q. What functions/roles work independently?

5. Performance management: Measure performance, then communicate performance metrics and provide ongoing feedback so employees understand priorities and how they contribute to achieving them. In hybrid environments, organizations should make work visible to effectively transmit operational performance indicators.

Q. How do we measure employee engagement?

Q. How do we measure employee productivity?

Leadership skills to guide a hybrid workforce

Hybrid work is experimental for industries worldwide, which means leaders must take a scientific approach to designing a flexible hybrid model. With analysis and A-B testing to understand what your organization looks like and what it takes to successfully achieve your mission, you can design a hybrid experience that works for your department. For example, describe two hybrid work models or sketch out two office setups and see which employees prefer and why.

Leaders need to level up their skills to enable your hybrid team to be effective. Begin by being among the first subjects of the hybrid work experiment. Assess your own and other leaders in your organizations' competencies and effectiveness to lead a hybrid workforce. Some of these skills include:

- **Data collection and analysis** to consider the right data and build an effective hybrid work model. Ask employees, watch for trends, and talk with Human Resources to understand the organization's current state. Let data tell the story and inform your decisions. Measure to guide adjustments.

- **Communication** to set and share the strategic vision, mission, and priorities using all communication methods available so employees understand the department's direction and where their role fits into the mission.

- **Coaching** to enable inter- and intra-departmental collaboration and real-time feedback so team members understand how to work within and across departments to efficiently achieve the mission, no matter where employees are located—80 percent of people who receive coaching feel more self-confident and 70 percent improve work performance, relationships, and communication skills.[4]

- **Inclusion** to build an inclusive culture. Be a role model by becoming aware of personal biases and also seek and consider all employees' perspectives. Work with Human Resources to understand employee disengagement and burnout signs. An inclusive culture has space for those who are not active participants on calls, for example.

- **Understand how to mitigate bias** to help avoid proximity bias. Spread preferential projects and promotions among remote and in-office workers.

- **Performance management** to reflect the shift to a hybrid work model. Redefine and measure productivity to center on accountability and outcomes with a focus on innovation, processes, and execution. Create metrics that enable strategies the organization will need in the future.

Read more about how to attract, engage, and retain your workforce for the future in our article, *Work from anywhere can work for anyone*.

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[4] Source: Institute of Coaching, McLean, Affiliate of Harvard Medical School, "Benefits of Coaching," 2009.

Office is a tool, not the solution

The **office is a foundational tool to your new hybrid work model.** Rethink your office physical setup and culture to support the right hybrid work experience where employees can easily connect wherever they are. One of the first steps is to analyze how each role uses the office and interacts with one another, customers, and other stakeholders to complete their work.

Individual performers with roles that allow them to work independently, such as accountants or purchasing professionals, can be more effective remote workers. Those who are interdependent, such as product management and development professionals, need time together in the office. Then configure the physical space and provide technology, process automation, and tools employees need to do their work in the office or remotely. Employees also need time and tools for asynchronous information processing. The sidebar can help guide your analysis.

Guide to enable employee connection

1) Access for all employees. Ensure employees have access to **technology and tools** they need to complete their jobs—from computers and bandwidth to virtual whiteboards and other collaboration tools. Consider employees with neurodiversity as well as physical differences. Democratize **information access** so employees have secure but easy access to the data they need to do their jobs wherever they are.

2) Design an effective, engaging hybrid experience. Enable employees to become effective **multimodal communicators,** then adjust two-way communication with and among employees using various communication methods. **Fine-tune meeting culture** with hybrid work in mind. Weekly meeting time more than doubled and continues to rise for Teams users from March 2020 to March 2021.[5] This trend creates an opportunity to make sure meetings have purpose and an agenda to drive them. Consider when it is best to require in-person attendance and when virtual is okay. Foster connection among teams that also allows for **asynchronous work**.

3) Workforce development. Develop a culture of continuous learning to build employees' and leaders' skills for current and future work with iterative and experiential learning as well as learning in the flow of work. Discover more about how to _Put your learning and development strategy first_. Increase employees' **digital fluency** so they can be more successful with current and future work. Find out more about building a _Government workforce for the accelerating digital era_. Upskill leaders to lead in a hybrid environment. Empower them to create a **real-time feedback culture** where employees can confidently deliver direct feedback virtually or in person.

The mindset shift to leading a hybrid workforce may require some of the new leadership skills covered in the previous section—especially skills needed to engage and inspire employees and help them feel included.

[5] Source: Microsoft, "Microsoft 2021 Work Trend Index," March 22, 2021.

Contribute to ESG efforts

Federal government employees want to see broader environmental, social, and governance (ESG) impact from governments, but 63 percent of government employee survey respondents say governments are not taking the appropriate amount of action to address environmental issues.[6]

Adopting a **hybrid work model can have a direct and indirect positive effect on ESG efforts** separate from department service delivery, supply chain, and other externally focused ESG efforts. From the **environmental** perspective, hybrid work can enable a smaller real estate footprint to decrease waste and power use and reduce the number of commuters. Hybrid work can contribute to the **social** aspect by helping foster diversity, equity, and inclusion (DEI), but it requires designing DEI into the organization's culture. To improve **governance** and accountability, report progress so employees understand the value of ESG efforts and the contributions they and the department make.

While ESG efforts at the department level may seem small, leading by example shows agency commitment and contributes to overall efforts.

Hybrid work can be your agency's differentiator

Hybrid work is here to stay. Using this systemic framework can help your agency design the right hybrid work model that delivers a customer-grade employee experience. The results can be a differentiating factor today and in the future. Consider the right data to guide your new, more flexible employee experiences. When you do, more employees will want to play a role in delivering the mission.

[6] Source: KPMG survey among U.S. federal, state, and city government employees.

About KPMG

KPMG has worked with federal, state, and local governments for more than a century, so we know how agencies work. Our team understands the unique issues, pressures, and challenges you encounter in the journey to modernize. We draw on our government operations knowledge to offer methodologies tailored to help you overcome these challenges and work with you from beginning to end to deliver the results that matter.

The KPMG team starts with the business issue before we determine the solution because we understand the ultimate mission. When the way people work changes, our team brings the leading training practices to make sure your employees have the right knowledge and skills. We also help your people get value out of technology while also assisting with cloud, advanced analytics, intelligent automation, and cybersecurity. Our passion is to create value, inspire trust, and help government clients deliver better experiences to workers, citizens, and communities.
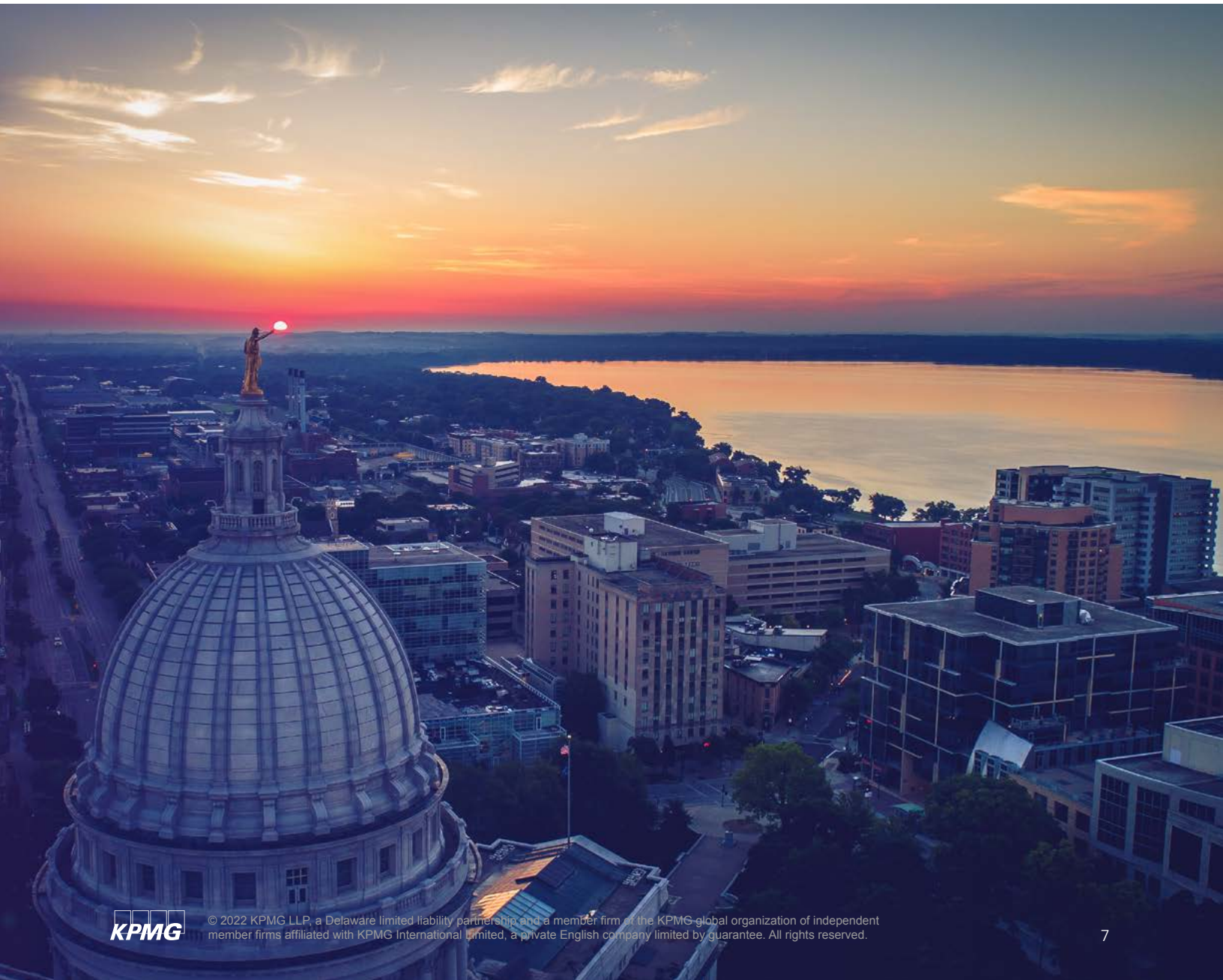
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