



Government workforce for the accelerating digital era

Invest in employee skills for new ways of working

Prepare for new ways of working

Leaders in a midsize state's Health and Human Services (HHS) department were a year into the agency's digital transformation. Even with plans underway that mapped out their transformation journey, they were already behind schedule. Workforce reskilling was a major roadblock in the initial journey. Then COVID-19 hit. The agency went digital where they could—almost overnight—to help employees and the public stay safe. Like many organizations, they had to rethink digital transformation efforts as they shifted to virtual service delivery. These HHS leaders also learned the urgency of updating their business and operating models so they could deliver on their missions—no matter what crisis hit.

Government decision makers, along with their peers across the U.S., now see firsthand how new business and operating models, and the digital technologies that support them, create new roles and ways of working that demand new skills and capabilities. The speed and complexity of work will continue to accelerate, making it more **difficult for government agencies and their workforces to keep pace**. Estimates say organizations will invest more than \$7 trillion in making work more digital by 2023.¹ As governments make these investments, more jobs will require digital capabilities than ever before. To address digital capability gaps, government agencies should consider **three broad approaches**. First, conduct more effective and robust **workforce planning**. Second, explore new ways to compete for talent. Third, provide a more compelling **employee value proposition**. This article explores new ways government organizations can anticipate and build the needed skills for a digital workforce with these approaches.

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.



¹ Sully Barrett, "\$7 trillion to be invested in making work more digital by 2023: ServiceNow CEO," CNBC, April 30, 2020.





Plan your digital workforce

The first step to launch a workforce plan is to **identify the digital capabilities employees will need in the future.**

Pragmatic planning will help leaders understand digital capability gaps and develop workforce strategies to close the gaps. If the state HHS department in the opening example had workers with these three sets of skills, then they would have been more prepared.

1. Digital technologists: Governments need employees with experience and knowledge of cloud, artificial intelligence (AI), and automation to build a positive experience for the public. Teams also need knowledge and experience working with blockchain, robotic process automation, digital design, data visualization, and more depending on the organization.
2. Digital thinkers: Agencies need holistic thinkers who can use data, interpret real-time analytics, and navigate the fast-changing ways business and technology interact to thrive in digital environments.
3. Digital leaders: Governments need people with strong leadership qualities to lead, motivate, and develop these employees.

These motivated leaders should have vision and an entrepreneurial spirit to inspire their teams and tackle new challenges. As digital workers move into leadership roles, they will maneuver evolving business models, marketplace platforms, micro-services, dynamic supply chains, and flexible technology. For example, technology as well as department and other leaders need the ability to anticipate citizens' evolving needs and shift their services and the way they are delivered to meet them. Building skills for the digital era takes investment from employers and employees. Explore the following methods in order to develop current employees to move into these digital roles and build your digital workforce.



Invest in different ways to develop skills

Government organizations need workers with passion as well as digital talent to push modernization efforts and continue to deliver services citizens need. Fast. The Partnership for Public Service 2020–2021 Impact Report found 63 percent of major federal departments report gaps in employees' knowledge and skills.² Every government organization should have formal career development programs to support employees and leaders. Common program examples include coaching and mentoring and identifying and developing high-potential employees. Methods proving successful in the private sector can benefit government organizations including on-the-job experience, scenario-based active learning, and rotational learning.

Traditionally, governments developed skills in-house through classroom training or conducted targeted external recruiting to acquire them. On-the-job experience, including trial and error, is often more effective so people can build skills over time as they work, especially when employees are learning processes that vary from one organization or state to another. Many organizations offer career growth opportunities for employees to participate in projects outside their department or team to apply their experience and knowledge to different types of projects that may interest them. These experiences expose employees to different leaders and mentors as well as varying and more advanced work.

Scenario-based active learning can help employees learn real time in realistic and relevant scenarios. For example, help functions in applications answer employees' questions within the context of their work when they need it most. Rotational learning programs, which are useful in retaining talent in the private sector, expose workers to different agency departments and roles and provide more holistic learning experiences. They also help organizations upskill current employees and broaden internal career development pipelines to move with the organization's changing skill needs. Depending on the organization's culture, a third party may help challenge the organization's traditional training methods to new, more effective approaches.

² "Partnership for Public Service 2020–2021 Impact Report," Partnership for Public Service, 2021.



Change the way you recruit for digital talent

Exploring new approaches to recruit from the outside can augment active career development programs and expand an organization's digital capabilities faster.

Develop partnerships, not just relationships, with high schools, colleges, trade programs, universities, alumni groups, and professional associations that focus on emerging technologies to help find needed digital skills. Recruit current employees who are alumni of secondary and postsecondary institutions that specialize in needed skills as agency ambassadors to develop workforce pipelines. For example, agency ambassadors can help design accounting curricula that also teaches technology foundational skills.

Internship programs are successful and common in the private sector. Instead of assigning student interns to administrative support, consider digital roles where interns would be a part of the workforce and do the work they want to do in a full-time entry-level position after their education. This approach helps fill skill gaps faster and is appealing to people who will soon enter the workforce.

If nearby talent pools are limited, today's hybrid work models allow organizations to **tap into other geographic**

markets within their region or state, especially to **include underrepresented and underserved populations**. New employees can fill roles they can do remotely. Alternatively, government organizations can open satellite facilities that offer services to local businesses and residents and are also convenient to new employee prospects.

Adopting technologies and processes to **improve access to job opportunities and time to hire** can also make working for governments more attractive to digital workers. One-third of the federal workforce will be eligible to retire between 2020 and 2025, and about 7 percent of full-time federal employees are under 30 years old.³ This gap creates a need to attract millennial and generation Z employees, which now make up 46 percent of the full-time U.S. workforce.⁴ Finding out about permanent federal government jobs is particularly cumbersome, and often requires sifting through huge numbers of vacancies.⁵ Improving the recruiting process can remove access barriers.

Building strong connections, unique internship learning experiences, and expanding learning beyond schools and into communities will help government organizations improve their communities and shape their future workforce.

³ "Partnership for Public Service 2020–2021 Impact Report," Partnership for Public Service, 2021.

⁴ "4 things gen Z and millennials expect from their workplace," Gallup pulse study, March 30, 2021.

⁵ Public Service and the Federal Government, Brookings Institute, May 27, 2020.



Compete for digital talent with a compelling employee value proposition

Competition for America's top employees is tough. Prospective employees often have to choose between their desire to contribute to their communities and fellow citizens and opportunities with more well-known private sector companies. Between 2001 and 2017, the number of graduates in the study going into local, state, and federal government jobs dropped 15 percent.⁶ Many digital workers look for jobs with a known **digital brand** that will offer **modern employee experiences, upskilling and career development, and competitive pay and benefits.** Government agencies need to show why their careers are valuable.

Government leaders realize **agency brands** are less attractive compared with private sector companies. Promote innovation and digitization efforts so candidates know they will use advanced technologies and new ways of working and be rewarded for innovation in their government-sector career. For example, Tennessee publicized its new myTN, a popular app that helps citizens renew drivers' licenses, find and schedule COVID-19 vaccine appointments, and access business and family resources, to promote the state's digital efforts.

Organizations that **align employee and customer experiences** will deliver on their mission as they grow and change. Employees are the gateway to knowing and serving citizens. When employees have a consumer-like experience, including easy-to-use technology and streamlined processes, they are better equipped to create a seamless experience for citizens. When employees value their experience, they feel empowered to work efficiently and will deliver better service. A superior employee experience boosts morale and

job satisfaction, which also improves retention rates and can even out the competition for talent with private sector employers.

Articulate development and career opportunities as a part of the employee value proposition, which will especially appeal to millennials and generation Z. Then deliver on the promise. A study found only 65.9 percent of federal employees feel their talents are used well in the workplace in contrast with 79 percent in the private sector.⁷ This trend will improve when more employees feel satisfied with their career opportunities and development and will help keep entry- and high-level employees from jumping to private sector jobs to continue their careers. The current administration is pushing for additional funding to help government organizations attract, retain, and train employees with the abilities to "build, maintain, and secure federal information and information systems."⁸ Additional funding to upskill and reskill federal employees should make federal agencies more attractive places to work.

Promote unique benefits available to government employees in the pay conversation. While public sector pay structures may not lure people away from the private sector, governments can offer unique benefits, such as work-life balance, job stability, pensions, and better health insurance to appeal to digital workers. Also, Public Service Loan Forgiveness, which forgives student loan balances, gives government agencies a huge advantage to attract new hires. With 14 percent of adults in America carrying student loan debt,⁹ this is an enormous benefit private sector organizations cannot offer.

⁶ "Fewer graduates are choosing government jobs," The Hill, May 14, 2019.

⁷ Best Places to Work in the Federal Government, BestPlacestoWork.org, 2021.

⁸ Aaron Boyd, "What the Biden Budget Includes for the Tech Workforce," Nextgov, June 1, 2021.

⁹ Student Loan Debt: 2020 Statistics and Outlook, Investopedia, March 16, 2021.

Challenge tradition

Technology will continue to advance, which is the reason digital journeys constantly evolve. Reskilling and upskilling efforts must also be constant. Technology, citizens, employees, and the world will not wait. Although government organizations traditionally delay their digital journeys, it is not too late to challenge the tradition. Invest in and build for the future now. This includes planning for workforce needs and developing employee skills to fill them. Take these steps to build your digital workforce.

- Assess your workforce's current skills.
- Identify the capabilities and skills leaders and employees will need in the future.
- Make learning and career opportunities a priority.
- Add new learning methods such as scenario-based active learning, rotational programs, and internships.
- Nurture partnerships with colleges, universities, alumni groups, and professional associations to expand recruiting pipelines.
- Make diversity, equity, and inclusion a strong part of planning, recruitment, and reskilling.
- Promote digitization efforts to build agency brands among digital worker prospects.
- Create a smooth, technology-driven, and equitable recruitment and hiring process for prospects.
- Use external resources such as LinkedIn to engage with digital talent.
- Communicate learning and career opportunities in your employee value proposition.
- Align employee and customer/citizen experiences.

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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