The rising influence of human resources in government during the pandemic

The imperative for HR to revolutionize the people management experience across all levels and branches of government
In early 2020, government workforces faced what appeared to be an impossible task: To prepare for a rapidly approaching pandemic, with limited resources, to enable critical work to be performed remotely and absent many of the necessary human resources (HR) capabilities to effectively manage a dispersed workforce.

In interviews with senior HR professionals across federal, state and local governments, Deloitte came to realize one of the biggest underreported stories of the pandemic: The way the crisis transformed people management at all levels and branches of government and blazed a trail to a more rapid evolution of HR tools, processes, policies and practices across the sector.

But in March 2020, none of this progress seemed likely, or in some cases even possible.

"The public sector wasn’t ready," said V. Reid Walsh, Deputy Secretary of Administration for Human Resources and Management for the Commonwealth of Pennsylvania. "File storage, processes, nothing was ready for full telework. We tried to stabilize our workforce, but we did not have digital files and information ready for staff."

It isn’t that government didn’t take the oncoming COVID-19 threat seriously. Joan Matsumoto, Special Director for Transformation for the Commonwealth of Massachusetts’ Executive Office of Administration and Finance, said; they set up an inter-departmental war room to prepare for the oncoming crisis. “But, if you had asked us before the pandemic if we could pivot to remote work, I would have said ‘no way,’ not without months and months of planning and even then, we wouldn’t see the buy in and the adoption of our workforce.”

Human resources leaders had a good idea of the challenge that they were up against—especially with respect to telework. Jeff McCue, the Commonwealth of Massachusetts’ Chief Human Resources Officer, points out that it was a challenge even where the chief executive was a strong telework supporter. “During my first month on the job in November 2019, our Governor asked us to wake up the dormant telework policy that already existed. At that point, less than two percent of the workforce was teleworking in any shape or form. In mid-March when COVID-19 hit, we were able to immediately pivot from two-to–52 percent of our workforce teleworking.”

Numbers like these were common throughout the public sector, including in the federal government. According to the Partnership for Public Service, “just 22 percent of federal employees teleworked for even a single day in 2018, the most recent year for which data is available. Yet virtually overnight, over 75 percent began working remotely at various agencies.”

This pivot led to a great deal of on-the-fly flexibility—and government and other public sector workers rose to the challenge. As a Deloitte Insights article in 2021 noted, “The COVID-19 pandemic accelerated—in some cases, by years—the advance of the future of government. By necessity, government’s response to the pandemic resulted in rapid change of the sort generally not seen in the public sector. From telehealth to telework, virtual courts to virtual education, agile regulation to rapid digitization—rarely in modern history have we seen so many large-scale experiments in government rolled out so quickly and at such a massive scale.”

As often happens in important historical inflection points, these rapid adaptations were borne out of necessity. Every workplace process was a potential new challenge that had to be addressed immediately to keep essential government services up and running.

Because of its different workforces—domestic, foreign service and foreign nationals—the U.S. Department of State was an especially challenging venue for this kind of rapid culture shift.

“[The thing that was most surprising to people, who struggled with ‘flex’ work prepandemic, was having the huge culture shift with required remote work],” said Jeanne Juliao, the U.S. Department of State’s Deputy Assistant Secretary for Administration. “For example, databases that were needed were not accessible remotely until the pandemic hit. It became a trial by fire to get from a presence equals productivity mentality to productivity equals productivity. And even before people fully believed that, infrastructure-wise, we had to make that possible.”
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State was not unique in one important aspect: Like many public sector organizations, it did not routinely equip workers with laptops, which meant that many remote workers were using their own technologies to perform basic tasks and to access government systems. But these technological, logistical issues—at the highest reaches of the Federal Government down to every U.S. local government—were only the tip of the iceberg.

“From my perspective, HR is often unloved because when it goes right, it’s unnoticed, but if it goes wrong, we are the first in the line of fire,” Juliao said. “Some of our challenges on the HR front were less about personnel and more about process. For example, what type of signatures are required for the retirement process? The ability to pivot for remote offboarding in a secure way was helpful.”

Day by day, HR functions and public sector employees worked through the challenges and found a way to deliver vital services to constituents. As Kimberly Loving, the City of Seattle’s Chief Human Resources Officer, stated “Somehow, we were able to figure that out.”

While the COVID-19 pandemic has led to the horrific loss of life and serious disruptions to the American way of life, it did not lead to a meltdown in government services. As the Nation rebuilds from this great disruption, the change unleashed by the sudden and widescale adaptations is opening eyes across the public sector about the future of government workforces and HR processes, policies and practices.

Appreciating the resilience of the government workforce

The processes somehow worked, but probably wouldn’t have without the resiliency of the government workforce. This demonstrated to government leaders and put on display the vast untapped potential of government workers to deliver ongoing value to their constituents, the kind of adaptability that could help them achieve their highest policy goals.

Shannon Weidauer had the challenge of taking on a new high-profile role as Director of Human Resources Management for Travis County, Texas right in the middle of the pandemic. “I came in and was impressed that the County had done a fantastic job transitioning its eligible workforce remote and enabling it to be fully functional.”

This ignited a new mindset for public sector elected, appointed and career leaders about their own workforces. Juliao said “employees were far more agile than people expected. Our employees’ ability to be agile outpaced our tech ability to meet them at first.”

Employees proved more adept at managing the demands of telework than expected, but their successful adaptation went beyond virtual meetings. “The reason we succeeded [when the pandemic struck] was because government workers have a deep understanding about their agencies’ mission and know how to get things done,” Matsumoto said. “One thing you learn when you get into state government is knowing the statute or policy and meeting the constituents, broadly, where they are.”

Juan Williams, the Commissioner of the State of Tennessee’s Department of Human Resources, noted that these changes didn’t just help get work done, they led to unexpected benefits.

“When we went fully remote, we noticed there were benefits from a fiscal perspective of remote learning,” Williams said. “Our employees embraced it and our agency leaders wanted it to stay.”

When the new technologies combined with a greater ability to support the mission, the impact for the public sector employee experience was especially dramatic. “The pandemic forced us to change our behaviors, especially for work and how it fits into the broader scope of life, and we liked it,” Reid said. “What was happening slowly now happened at warp speed. Conversations from telework versus non-telework to new models of hybrid. There’s now a much greater appreciation that we need to accommodate people who have other obligations than work in their lives.”

In so many ways, the events of 2020 and 2021 radically altered the American workforce and changed the way most enterprises manage their workforces. Along with other organizations, government agencies adapted to changes in real time as part of the massive workforce changes all around.
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Almost overnight, telework shifted from a workforce option to be studied into a permanent form of work that an increasing percentage of skilled workers’ desire. A May 2021 Bloomberg survey of 1,000 US adults showed that 39 percent would consider quitting if their employers were not flexible about remote work... among millennials and Gen Z, that figure was 49 percent. As a result, many public sector HR leaders are now reevaluating the permanency of a hybrid workplace.

"Many people view remote work as a benefit, and it certainly can be; however, it comes with its own set of considerations for both the employer and employee," Weidauer said. “Training and development is going to be key to remote work success. We’re reassessing our onboarding, training, new hire orientation and a variety of different types of training to enable a successful hybrid work environment for supervisors and managers. We’re also focused on bench strength talent, ensuring the HR structure supports the organizational remote work goals, and moving to a centralized learning and development model, where is makes sense. Learning and development programs are critical in establishing hybrid work models and having the tools and equipment to do work in a remote work environment is also so critical, not just in the office but in their home. These are challenges that we’re addressing."

The change is daunting, but the end-result can be a greater understanding of the potential of government workforces to become more productive through the adoption of new HR processes and the implementation of better tools that support a hybrid work environment. And as a Deloitte Insights article in 2021 pointed out, the public sector has a strong track record of following the innovations first adopted in the private sector. “Tech adoption in the private sector is a reliable leading indicator for changes we can expect to see in the public sector. It may take a while, but innovations that begin in the private sector routinely find their way into public usage. Government is quite adept at this type of evolutionary change. Although the rate of adoption may be uneven, over time, governments tend to adopt proven technologies, whatever their origin. When faced with today’s quickening rate of technology change, however, the lag in the pace of adoption will need to narrow.”

“Sometimes in HR,” McCue said “people are skeptical of new things and think workers may be less productive rather than more. I and many others are now converts as we have witnessed it firsthand, which has been very satisfying and speaks to the resilience of the workforce. It also reminds us that our focus needs to be not on the small population of people who are not doing the right thing, but rather on the high population of people who are doing the right thing.”

Recognizing the critical role government employees play and preparing for change

While the pandemic changed the way government workforces operate, in some cases permanently, it also made clear to many that public sector employees aren’t an expense—they are an asset that needs to be fully supported. Career government workers, who rallied to the challenge of work in a pandemic, could also be rallied to help elected, appointed and other career government leaders achieve their highest policy aspirations.

“We have two very different components for our workforce,” said Juliao of the U.S. State Department. “We have domestic and overseas, with different capabilities. Overseas, we were in countries that lacked the infrastructure that could allow employees to work. There are also security concerns. We had more challenges in the overseas environment, but what was NOT limited was people’s commitment to serving the mission. It was affirming to the leadership, the dedication of the employees.”

This good news is tempered by the stark reality of the new workforce affecting all sectors of the U.S. economy. The ongoing talent crunch has the potential to hit the public sector workforce especially hard, right at a time when leaders have a renewed appreciation of the value of their own people like never before.

HR departments fear a wave of retirements among government workers. Adding to the pressure is the ongoing “great resignation,” which is increasingly becoming a values-led shift in the workplace. A recent survey found that “almost 62 percent of workers surveyed said they now believe it is very important for their work to align with their values, passions, and interests.”

This could work to the public sector’s long-term advantage. Matsumoto said, “anyone who thinks we are prepared for the new workforce is lying. We have ideas but are in such a period of innovation that we can’t know. That’s where resilience and flexibility come into play.
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“This whole thing of the great resignation did not impact government workforce. Even sectors of the enterprise of the executive branch that threatened to leave didn’t leave in droves. That tells me that government is doing something right in terms of the match between what the government offers and who works there.”

One of the first steps toward supporting and building this new workforce is attracting the right kind of people, and then supporting these workers to keep them employed long-term.

“You can have a career in state government and not just a job,” Williams said. “We have so many career options, which is a great benefit. You are also serving your citizens.”

Attracting younger workers by providing meaningful work—and high responsibilities—very early in their careers has always been a strong draw of the public sector. Keeping these employees long-term has always been a challenge—and that may grow even more acute with this generation of workers.

Williams agrees that this is a reality for the public sector that needs to be acknowledged and built upon. “We are still a training ground. We have employees that come here, learn their craft, then move on to private sector for more money. We should try to maintain the relationship where these employees leave but are willing to come back and share what they’ve learned. We are looking into how we can create a culture that encourages them to want to come back.”

Of course, it may be easier to retain all types of skilled workers if they feel respected and appreciated by leaders, and feel that they are part of the mission. To do this, governments should value the functions that support their work. Employees don’t work in isolation. Strong teams foster productive, happy employees.

As noted in a 2019 Deloitte survey of global public sector employers, 56 percent of respondents said it was vital for their organizations to eliminate silos and take on “team” or “cluster” approaches to services provided. Only three percent of those same respondents said their organizations were ready to implement that kind of change.6

To feel part of a welcoming, high performing team, governments should be drawing from all corners of life and appreciating talent wherever they find it. For younger generations of workers, Diversity, Equity and Inclusion (“DEI”) is vital to creating the kind of work environment they want to join and remain attached to.

Loving noted that the social justice issues brought to the forefront in 2020 spurred immediate action from many HR departments in the public and private sectors, but the real impact of the rush towards DEI will depend on the follow-through. “It will be interesting to see which organizations won’t just create this position, but resource them,” Loving said, “and have them as a key position and use this as a measure of success in their organization. Long term success and growth in the organization will be interesting to watch.”

A Deloitte Insights article in 2020 noted how important that kind of follow up will be in developing high performing work cultures for years to come. “Diversity, equity, and inclusion practices are associated with a trusting climate that, in turn, fosters employee engagement. Focusing on these principles can improve teaming, coaching, and the relationship employees have with those they work with on a day-to-day basis. Some agencies are actively working to create a more inclusive work environment and foster a sense of belonging, whether it’s through conducting training on implicit bias, taking steps to improve the diversity of hiring, or convening discussions around these issues.”

All of these factors—processes, technology and workplace culture—can come together to create the conditions for high performing employees to thrive. For too long, the public sector has underappreciated how necessary these investments are to building their employee base into a vital asset. Loving said that before the pandemic, we, in Seattle, "we were far too comfortable. There is a lack of connecting the HR infrastructure and operational infrastructure to community. How the City provides services and how well the City provides services is directly related to how well the organization manages the resources, people and tools that attracts develops and retains its people." Loving noted that this pertains not only to DEI, but also supporting the functions critical to how local governments operate.

“HR, IT and Finance are the backbone of how a City operates. These three departments struggle with receiving strategic multi-year investments. There are competing priorities, that are truly priorities such as policing and homelessness. But there’s a momentum for supporting these functions.”

That re-evaluation is underway, and many HR professionals within the public sector are feeling more appreciated than before. Walsh articulated this widespread feeling well: “I was so glad to be in HR during COVID because it was so critical.”
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Understanding the importance of the talent experience
Of course, HR leaders have long known the value of their role and the ways that their function can follow the lead of the private sector to uncover the true potential of their employees. The pandemic, in that respect, was a golden opportunity to demonstrate the importance of equity, inclusivity, well-being, work-life balance, training, compensation and other talent management issues critical to building and supporting a modern, productive, and sustainable workforce.

Walsh said, “The expectations have changed. The expectations for the ‘moments that matter’ in employees’ lives have changed. Not just the cornerstone moments of onboarding or promotion, but the day-to-day life moments.”

Just as government employees are re-demonstrating to their leaders their critical value, the services and processes necessary to fully support them as they carry out the mission are now often seen as critical investments in an effective workforce.

McCue concurs about the shift underway, and notes that notable progress has been made in one long-overlooked aspect of employee wellness—improved mental health services. “This has been an exceptionally trying 20-month period and our office has done some evaluation to see how we can support people. This could include how to support balancing work and family but also how we can make available access to supports that are necessary to help people get through some of the difficulties in the day.”

HR functions have moved rapidly to meet these demands and in many cases are seeing higher appreciation as a result.

McCue noted that “we had to move into areas around occupational health where we didn’t tread before. We didn’t have structures in our organization that looked into the guidance of engaging with employees and engaging with HR.” But as these new support structures are being added, new challenges are appearing on the horizon. Supporting employees is great, but can the public sector do more to keep pace with private employers?

“I do think that as the prominence in terms of our role is growing, a bit more will be challenged,” McCue said. “In terms of where’s my talent? Where do we get it? Can you build pathways for folks to join? Can you look at our salary, compensation, and benefits?”

And as workforces move to hybrid models, McCue said, the challenges will likely only multiply. “We have to play a larger role in not only supporting staff, but also helping supervisors and managers get the tools to support them. And we need to do something about our evaluation system. The concept of ‘one size fits all’ doesn’t work anymore for our workforce and this age of hybrid work.”

Even something as basic as hybrid work is now becoming an expectation of modern workers. Loving noted that this is an ongoing conversation in Seattle:

“I do think that people were surprised that the work could still get done and trying to understand how we bring people back. People are starting to question the ‘why’ people need to be back. A mind set shift of ‘what can we be’ for ‘what are we going back to.’ Right now, we’re on the spectrum of somewhere between we’re going back to versus what we can be.”

Alongside the need for hybrid workforces is an important balance that should be struck—people expect to see their government employees in action. “We need to be physically present and visible to our constituents,” Matsumoto said of Commonwealth of Massachusetts employees. “We risk forgetting that part of our job, regardless of COVID, is to bring in the next generation of government servants. Government work offers the chance to be ‘thrown into the fire’ and get the opportunity to work on something impactful. We need the current generation to be in the office to show the next generation the ethos of the office.”

A proper hybrid-office balance might require a better use of technology. While governments often have a unique need to provide face-to-face assistance to constituents and taxpayers, as Deloitte Insights pointed out in 2020, digital technologies can actually deliver a much more user-friendly experience for the kinds of encounters that don’t need the face time. “The best digital applications tend to have some features in common: they’re simple, intuitive, hassle-free, and personalized. They focus on solving a problem rather than delivering a service. They involve users in their creation and rely on a constant stream of user data to improve the experience. Bringing all these capabilities together can enable governments to deliver countless services in a better, more personalized way than in-person encounters.”

Hybrid workforces, supported with more robust digital tools, are one way to make government employment more appealing to young people, but other steps may be necessary to attract the next generation of employees. A recent article in SHRM.org right before the pandemic began noted, it can take up to six months for governments to get back to applicants about positions. Young people were not willing to wait that long then—and are probably even less patient given the “workers market” that is developing now.

But the pandemic, at least in the short term, helped upset some of those entrenched government processes. As Deloitte insights noted in 2020, “The pandemic is changing how government agencies attract and recruit staff. To speed up the hiring process, governments have offered more flexibility to agencies or temporarily suspended normal hiring rules.” This is an important first step, but it should continue and be expanded upon to reach out to in-demand younger workers.
Walsh noted that a multi-generational approach is important. “What we haven't gotten into is planning for the generations that are coming out of college in two generations. People who are used to a very digital world are excited to go to the Department of Health, but then show up and are passing paperwork to 15 people, they will be discouraged and go to a more modern place where they feel like they are a real value add.”

Williams said “from an HR perspective, we must be very proactive and put more emphasis on the talent acquisition process. We need to look at data from exit interviews and look at any type of organizational survey. We also need to create an employee retention strategy.”

Surveys of human resource professionals taken annually by the MissionSquare Research Institute (a Washington, D.C.-based organization focused on helping state and local governments attract and retain talent) support the need to take immediate action to address talent retention and acquisition issues—in large part because a wave of retirements is right around the corner. “In 2009, 44 percent of respondents said that retirement-eligible staff were planning to postpone retirement, but in 2021 only 2 percent said this. In 2021, 38 percent said retirement-eligible staff were planning to accelerate retirement, compared to 12 percent in 2009.”

What is true across the board is change will not slow down for anyone and this labor market is demanding continuous evolution. Williams noted that there are challenges and opportunities in this:

“This is an employee market, so we need to think about our total compensation. We are in a process of thinking about a total compensation survey. We need to be thinking at minimum 10 years ahead to make sure whatever package we put in place is relevant in 10 years. People are asking for what they want from a compensation perspective.”

But Williams also noted that this focus on total compensation could unlock what the organization is currently doing well and how that can be marketed to prospective employees. “We are also looking at where else we can incentivize value. For example, we have a robust leadership learning program.”

The race for talent will likely require the public sector to look deeply at what they are doing well now and what private sector tools may need to be adopted as soon as possible. Walsh outlined some of the steps currently under consideration:

“There is a gap in this investment into our talent that needs to be addressed. This includes investments into tools, training/talent development, and talent acquisition. Middle managers are the key to successful organization. We say be a good manager, but we put them in situations where they do functional work and don’t have capacity for the management tasks, such as continually training employees, and establishing performance feedback.

“Pennsylvania is going to put a lot of emphasis in performance management and check-ins. Right now, the public sector does not pay for performance. Do we need to look at redefining that, so if you’re being held accountable and you do these things well, you will be rewarded? Pay for performance should be discussed in the public sector.”

The change brought on by the pandemic has opened eyes in government offices about the need to adapt—and many effective HR managers are now applying the lessons learned from their pandemic adaptations in implementing new processes and tools. And in places where HR’s contribution to navigating the pandemic is highly appreciated, these adaptations are beginning to get a more serious hearing from elected, appointed and career leaders. Weidauer says this is happening now in Travis County, Texas:

“Recently, I worked on a business case to re-organize and re-structure Human Resources. This is not solely because of
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If we decided to move forward with the recommendations and implementations we’ve gathered through the pandemic, we would need to restructure and get the talent needed in the right positions. This recommendation was accepted and is being implemented.”

A recent *Government Executive Magazine* article notes that the pandemic opened eyes among managers to the possibility that employees could be more self-sufficient—that a higher level of mutual trust could lead to a higher performance public sector workforce. “Imagine what that could mean to government. Layers of management could be eliminated. Fewer employees would be needed. A highly qualified, empowered workforce could actually reduce costs.”

**Raising the human resources function’s game**

It is clear that government employees not only survived the pandemic, in many cases they became even more productive. But what remains to be seen is whether the kind of progress seen in Travis County, Texas can happen across the board. Perhaps more than ever before, HR leaders are better aware of their most urgent asks.

*Government Executive Magazine* noted in 2021 that in the early days of the crisis, the pandemic put a microscope on public sector HR practices and made clear the need for address problems immediately. “The pandemic has exacerbated workforce problems that have existed for years,” and added “it’s not an exaggeration to argue failed people management practices threaten government operations.”

For some HR departments, this means immediately addressing the cracks that were exposed. As McCue notes in Massachusetts, in some cases this may mean de-emphasizing process change and making sure everyone has the tools they need:

“We must look at tools. When I came into the job, I felt we were a little too aggressive around reorganization and restructuring without having the infrastructure of essential tools. Tools before restructuring is the better way to get things done.”

In addition to updated tools. The pandemic made clear to many in the private sector just how wide the gap is between their processes and those in the public sector. Matsumoto said, “I don’t know anyone who doesn’t look back on the last 20 months and not see that the pandemic has revealed every organization’s frailties.”

“COVID put the spotlight on digital management and performance measurement. I think if we are going to take advantage of this, hopefully we focus more on performance rather than presence.”

The Commonwealth of Pennsylvania—which has already moved to a shared services HR model—has also been highly supportive of HR process evolution in recent years, Walsh said, but there is still a great deal of work that needs to be done that was brought to light by the pandemic. “Governments underfund their infrastructure. Workforce is the biggest thing that makes or breaks a company. Do our support budgets reflect the criticality of our workforces? More of my budget should be going into operations instead of personnel as we improve our operations and gain efficiencies.”

Loving noted that in Seattle, the pandemic has brought about massive changes in HR that have been noticed. “At its core, the pandemic’s impact on the HR Function is this: it has shined a light on the value that the HR apparatus brings to an organization. My experience in the public sector is that not that long ago it was called ‘personnel.’ There’s an existing legacy that HR is simply a benefits form to
fill out, policy, and tactical paperwork. The pandemic has forced the city of Seattle and the collective HR community to perform as a school of fish, rather than a herd of cats. It has changed how people view HR and forced them to treat them as a more strategic function.”

As a result, there is momentum towards organizational change in Seattle, but Loving says much more remains to be done. “What I’ve been grappling with is ‘how do I leverage this momentum that we’ve gathered as we’ve shown what we can do’ and use this to drive larger change.

**Taking Action**

At every level of government, the pandemic proved the capability of public sector employees and the potential for them to not only adapt to change, but to embrace it and drive higher productivity as a result. The challenge going forward for HR functions is to demonstrate to policy makers that investments in the HR function will be more than expenses—they will be investments in transformation that can help them achieve their highest policy goals.

This is true for local and state governments, as well as cabinet-level Federal agencies. Juliao outlines just how dramatic the findings have been for the U.S. Department of State:

“We don’t have enough time and dedication focused on certain HR issues. (The pandemic) also emphasized the challenges that the Department of State faces in the financial resources we have to do our necessary infrastructure development. And it demonstrated that security is a significant component of what we do. How can we do our business when all those things are not remote eligible? How can we alter?”

Juliao concluded: “The need to be innovative went from a Sunday drive to a competitive race.”

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Endnotes
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