TREND 1

Fluid government workforce models

To tackle changing citizen preferences, employee needs, and talent shortages, governments are exploring new workforce models and prioritizing flexibility

PJ Rivera, Jacqueline Winters, Stephen Harrington, Amrita Datar, and Sushumna Agarwal

Introduction

Nothing in organizations today is static—not org charts, not challenges, not employees. Many private sector companies have been experimenting with flexible workforce strategies for decades, but public sector agencies have largely stuck with traditional approaches. Even if they are no longer strictly command-and-control, most public sector org charts, hierarchies, and workforces have stayed comparatively static from year to year.

But that is beginning to change. Government agencies face constantly shifting needs from employees, citizens, and oversight bodies, along with rolling talent shortages. Many leaders are responding by driving a shift toward workforce fluidity, making flexibility the routine rather than the exception.

Increasingly, government agencies are embracing:

- Flexible talent models to mobilize skills in the face of talent shortages, especially in areas such as cybersecurity, artificial intelligence (AI), data science, and adaptation to climate change

- Taking early steps toward a skills-based workforce approach that places skills at the center rather than traditional jobs (with specific descriptions and requirements)

- Adapting talent management practices to better support hybrid work and the overwhelming demand for workforce flexibility

- Focusing on collaboration as a core workforce competency and mission priority

The result is the outline of a public sector workforce for the future; one that is mobile, flexible, skills-based, and collaborative.
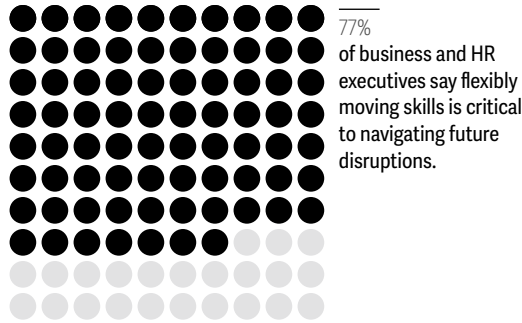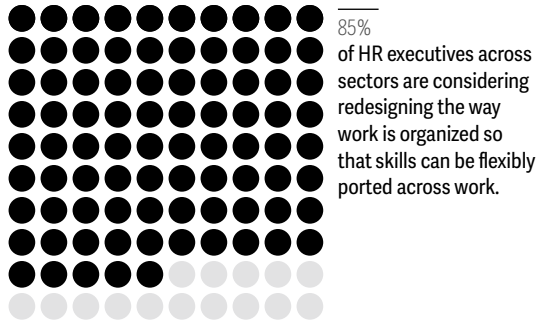
Walls coming down

- **Within the government workforce:** With walls coming down within public sector agencies and interdepartmental work becoming increasingly common, many agencies are granting workers mobility across various functions, agencies, departments, and even between public and private sectors—a trend that can be mutually beneficial for experience-hungry workers and skill-seeking public employers.

- **Between traditional and new ways of working:** Government workplaces are seeing deeper changes as the adoption of new and more flexible ways of working accelerate. Agencies are continuing pandemic-era practices such as remote or hybrid work, virtual service delivery, and asynchronous work, with workers adopting flexible work hours. Managers are increasingly tapping into fluid talent models such as freelancing and gig work.

By the numbers: Fluid government workforce models

More organizations are moving to a skills-focused approach

85% of HR executives across sectors are considering redesigning the way work is organized so that skills can be flexibly ported across work.

77% of business and HR executives say flexibly moving skills is critical to navigating future disruptions.

87% of employers are providing enhanced location and time flexibility to empower their workforce.

75% of government workers in Denmark, Norway, and the Netherlands can opt to telework.

Sources: Sue Cantrell et al., *Building tomorrow's skills-based organization: Jobs aren't working anymore*, Deloitte, accessed February 8, 2023; Deloitte, "Fall 2022 Fortune/Deloitte CEO Survey," accessed February 8, 2023; William D. Eggers, Pankaj Kamleshkumar Kishnani, and Shruthi Krishnamoorthy, *Transforming government post–COVID-19: How flipping orthodoxies can reinvent government operating models*, Deloitte Insights, June 15, 2020.

Trend in action

Flexible talent models, talent market places, and project-based deployment

Workers retiring today have held an average of a dozen jobs during their careers, and younger workers could look forward to even more, likely spanning a range of roles, industries, geographies, and employers. Mobility has become such a core value of the modern workplace that many public sector leaders are adopting talent models that enable workers and their skill sets to move within and even—temporarily—outside the public sector.

This may be driven partly by challenge (the shortage of specialized skills that many agencies face) and partly by opportunity (boosting worker retention, engagement, and learning through internal mobility options). If done right, flexible talent models can be a win-win for managers and workers. Government agencies are exploring various types of arrangements, including:

- **Mobility within an agency.** Internal mobility platforms can match talent to opportunities within an agency, directing people to where their skills are needed or where they might be able to learn new skills. For example, NASA's internal talent marketplace offers workers a platform to identify and take part in rotations, detail assignments, and special projects. Since the early days of the pandemic, use has expanded, with virtual- and flexible-work arrangements enabling employees to access opportunities previously limited by geography.

In a similar vein, the US Nuclear Regulatory Commission is offering rotational assignments to early- and mid-career employees—a type of program familiar to many private sector employees. Through these temporary assignments, workers can gain experience working with different teams on different projects and broaden their skills.

- **Mobility between agencies.** Some government agencies are using exchanges to facilitate employee movement within the public sector, keeping workers engaged and current while ensuring their talents stay close to home. A Belgian program networks 21 public and semipublic organizations, allowing members with specific skill needs to place temporary requests for talent from other organizations. Similarly, a program called Canada's Free Agents offers qualified public employees the flexibility to take on work that matches their interests with agency projects demanding specific skill sets.

Indeed, some agencies are working to embed worker mobility into their culture. In 2021, the Australian Public Service offered rotation opportunities to university graduates, aimed at instilling a culture of mobility among young employees from the beginning. Results materialized quickly: Mobility among Australian

public servants reached a 20-year high in 2021, with 5.7% of employees moving to another agency, compared to the earlier range of 1.5%–3.9%.

- **Mobility between the public and private sectors.** Through fellowships and "tours of duty" such as those offered by the White House and agencies such as the General Services Administration's 18F that helps other government agencies build, buy, and share technology products, US federal agencies are bringing in skilled talent from outside government. The Central Intelligence Agency recently set up a technology fellowship program that enables private sector employees to work at the agency for periods of one to two years.

The government of Singapore, facing rising attrition levels among civil service employees, is looking to shore up retention by expanding job rotations in the public sector, along with offering wellness counseling and making many pandemic-era flexible work arrangements permanent.

> **"We're never going to be able to match in the US government the kind of salaries or economic benefits that you can find in lots of parts of the tech sector as well. What we can offer, though, are fascinating problems to solve."**
>
> **—CIA director Bill Burns, on the agency's Technology Fellows program**

Toward skills-based agencies

Skills are increasingly becoming the organizing language of workplaces. In the private sector, some companies are moving toward organizing talent practices around skills or problems to be solved rather than traditional jobs. In a recent Deloitte survey, nearly two-thirds of executives who responded said work in their organizations is currently performed in teams or projects outside of employee's core job descriptions. And over the next three years, 85% of HR executives expect to at least consider redesigning the way work is organized so that skills can be flexibly ported across the workplace.

Agencies are beginning to shift toward a skills-based direction, particularly in hiring. For example, the US Office of Personnel Management recently released guidance on the federal government's adoption of skills-based hiring practices—a notable step for federal hiring, historically reliant on a candidate's educational credentials and self-assessments to gauge ability to perform in a job. Agency director Kiran Ahuja notes, "By focusing on what an applicant can do—and not where they learned to do it—skills-based hiring will expand talent pools by making it easier for applicants

without a bachelor's degree to demonstrate their skills and will help remove barriers to employment for historically underrepresented groups."

In the past year, LinkedIn reported a 21% increase in US job postings that advertise skills and responsibilities instead of qualifications and requirements.

At the state level, in 2019, the Indiana Office of Technology was the first state agency to implement skills-based hiring with a connected apprenticeship program; Indiana has since become a leader in employing a skills-first approach for technical roles. Maryland has followed suit, dropping a four-year college degree as a prerequisite for thousands of state jobs and aiming to ensure that "qualified, non-degree candidates are regularly being considered for these career-changing opportunities."

Organizing talent by skill set can also make workers with specific skill sets more discoverable, creating more opportunities for candidates. Agencies such as the US Department of Defense (DoD) are increasingly realizing that their current job classification may not reflect a worker's true skill set—and that they may have overlooked available pools of in-demand skills. Through the Defense Innovation Unit's AI-enabled GigEagle platform, the DoD aims to match skills needed for short-term projects with the skill sets and experience of interested DoD reservists and National Guard members.

Greater visibility into employees' skills, combined with offering them the opportunity to augment their skills through training and education, can give agencies strength and flexibility when shifting focus or launching new initiatives. For example, as governments look to aid broad decarbonization efforts, Deloitte Economics Institute's mapping of existing workforce skills shows that 80% of the

skills necessary in the short-to-medium term to achieve net-zero emissions by 2050 already exist.

Talent management systems to support a flexible and fluid workforce

Without the right kinds of support, promising workforce flexibility models can fall flat; in any organization, walls and silos that have come down can quickly rise again if enough challenges arise or benefits can't be sustained. Agencies looking to bolster the skills-based shift and lock in greater workforce mobility and flexibility are taking steps to revamp their talent management systems.

- **Skill tracking and credentialing.** Talent management functions have spent decades instilling a taxonomy of jobs, roles, and résumés. If skills are to be the primary basis for hiring and structuring talent going forward, organizations should have a common language or taxonomy to standardize skills—and a credentialing system to share skills data.

To make skills more interoperable, visible, and transferable, the US Navy recently launched a platform called MilGears. It enables service members and veterans to put in one place all the skills acquired through training, education, and on-the-job experience over their entire military career. Records are connected to the federal O*NET platform, which links to jobs across the US economy; service members can see how their skills might apply to civilian or nonmilitary occupations, and can identify skill gaps that further experience can fill.

According to a recent Deloitte survey, 79% of surveyed workers are open to having their employer capture skills data about them to make decisions, such as matching them to work.

- **Performance management.** Agencies are acknowledging that today's workforce needs demand new performance management processes. Since the shift began to remote- and hybrid-work models, agencies in countries such as the United States, Canada, Australia, Denmark, and the United Arab Emirates have released guidance, toolkits, and training resources for managing remote or hybrid teams. Agencies can also look toward innovative private sector models; for instance, to better support distributed teams, Adobe uses "check-in" dashboards for employees and supervisors to manage performance, goals, and development.

Performance evaluation should also consider how individuals build skills and apply them to create value. Again, the private sector offers potential models: Google's performance management process aims to balance skills and outcomes, encouraging employees to work with their managers to determine and document their "priorities" for their own development and identify specific learning opportunities based on these priorities to act on over future quarters.

- **Career paths and progression.** With fluidity changing traditional systems and org charts, government agencies—like any employer—could give workers a way to understand how to move to various roles in the organization and beyond. What might career progression look like for them in a new workforce plan? How can people grow into specific roles and fields?

The US Cybersecurity and Infrastructure Security Agency developed an interactive tool aimed at helping employees explore work roles, illustrating 52 work roles and five distinct skill communities. By reviewing roles' common and distinct aspects, users can quickly identify which knowledge, skills, and abilities they would need to acquire to qualify—and they can get a clear sense of how positions interact, and how to move between them.

The Government Lab of Argentina's Design Academy is likewise focused on directly connecting skills development and career progression. Looking to develop a flexible, data-fluent public sector, the agency educated more than 15,000 public servants in its first three years. Employees are given the opportunity to attend classes, events, or lectures and study subjects from prototyping to agile methods to data visualization, with an economy of credits incentivizing partic-ipation. Each worker earns anywhere from two points for attending a lecture to 100 for an in-depth class—and must earn 60 points annually to qualify for promotion. By offering and tracking education in soft and hard skills, Argentina's program is designed as a skills-based approach that can adapt to challenges.

Building a collaboration mindset

Government is increasingly faced with the task of addressing cross-sector challenges such as climate change, public health, cybersecurity, and homelessness. Collaborating and coordinating efforts across and beyond government can be a critical part of this.

Government workforces should be adept at building cross-sector collaborations, making connections with different levels of government, and increasing public value by catalyzing action across organizations. To develop this competency in their workforce, governments are focusing on skills development, creating incentives to collaborate, and building structures, platforms, and systems for formal and informal collaboration.

- **Honing the collaboration skill set.** Research from the Organization for Economic Co-operation and Development (OECD) has explored the key skills needed for collaborating through networks. They found that public officials should have a cadre of strong horizontal leaders with a mix of skills, including trust-building, systems thinking, interpersonal, consensus-building, creative problem-solving, and effective communication. In a similar vein, in a Deloitte survey of senior US federal executives, respondents said that strategic thinking, developing trustworthy relationships, and creating a culture of collaboration are the top three skills needed to achieve effective cross-sector collaborations.

• **Developing platforms and exchanges for building connections.** It is critical for public officials to connect, discuss, and collaborate with each other and external stakeholders on cross-sector challenges. A wide range of digital platforms can help government agencies reach a wider swath of expertise within and outside government. The Canadian federal government employs a series of digital platforms, called GCTools, to allow public officials to collaborate, network, and access relevant content. The platforms include GCcollab for collaboration and coordination between and within agencies and GCpedia for knowledge-sharing between federal government employees.

• **Rewarding collaborative behavior.** Rewarding and recognizing collaborative behavior can help encourage it within the public sector workforce. For example, the UK Civil Service Awards acknowledge excellence in public service under multiple categories. The *One Civil Service Award* recognizes collaboration across jurisdictional boundaries and levels of government, while the *Productive Partnerships Award* recognizes teams that build and maintain strong partnerships with other public sector entities, the private sector, and nonprofits.

Moving forward

Organizations and the environments they operate in are constantly changing. Government agencies should continue their ongoing shift toward fluidity, working to tap employee capabilities through skills-based workforce structures. As more agencies move in this direction, agency HR leaders should consider the following actions:

Go deeper with your skills-based approach to talent. While skills-based hiring is a good start, agencies can benefit from embedding the skills focus in other areas, such as:

• Reorganizing work as a dynamic portfolio of tasks to be done or problems to be solved

• Understanding and using the existing talent policies and authorizations available, which could help further a skill-based approach

• Thinking of public sector workers as individuals, each with unique abilities to make

contributions and a portfolio of skills and capabilities that match the work

- Using skills, rather than jobs, to make decisions about work and the workforce—from who performs what work to hiring to performance management to rewards

- Building a "skills hub"—an engine of skills data, technology, and governance to power these decisions

- Using "skills analytics" to understand future skill gaps and identify strategies to close them

Create specialized roles and tracks in government around collaboration. Incentives such as funding, data, and recognition can help drive collaboration, but agencies should also make it a part of career-growth discussions. Building specialized roles that focus on collaboration or making collaboration skills a core element of the professional

development of public sector workers can be a powerful tool for affecting mindset change.

Embed diversity, equity, and inclusion into all talent processes. Whether it's a hybrid-work policy or changes to a performance management process, make sure that the change supports—rather than inadvertently impedes—greater workforce diversity and inclusion. For example, skills-based hiring and the use of apprenticeships can help attract more diverse candidates to occupations: More than one-fifth of the 420 firefighters that the US Forest Service recruited through its apprenticeship program were women, while underrepresented racial and ethnic groups comprised nearly half. Another data set to consider is measures of a worker's potential, e.g., factors like drive, empathy, and conceptual thinking. These pieces of data, alongside skills, can help organizations identify talent with high potential, offsetting the risk that a focus on skills systemically disadvantages those that have had less access to education.

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