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Industry Perspective

# Creating the Federal Workforce of the Future

Why Workforce Modernization Is Critical to the National Moment



## Modernizing hiring and employee engagement.

Today's federal agencies are staring down climate change, rapidly shifting demographics, head-spinning technological change, and much more. But as their missions grow more complex, these agencies are expected to tackle unprecedented problems with an outdated, rigid workforce structure built on legacy technologies.

The result? A federal workforce—one that comprises [more than 4 million people](#)—that is less engaged and less satisfied than workers in other industries.

In fact, federal workers [trail their private-sector peers](#) in nearly every measure of their work, including job satisfaction, having sufficient resources to do their job, trusting their superiors, and believing their talents are used well, according to the Federal Employee Viewpoint Survey administered by the Office of Personnel Management (OPM).

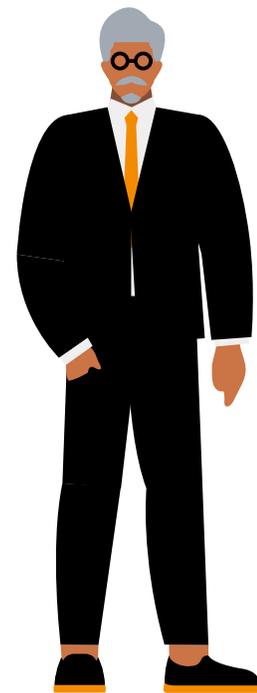
Long wait times for job offers, security clearance delays, and complex hiring authorities hamper efforts to recruit top talent and onboard new hires, particularly younger prospective employees. Today, less than 7% of the federal workforce is under the age of 30—and nearly 28% of federal employees will become eligible for retirement within 5 years.

To make matters more challenging, the government must compete with a private sector that is doing everything it can to attract top workers in a tight labor market. According to the [2021 Fortune/Deloitte CEO Survey](#), nearly half of corporate leaders say that attracting talent is their biggest challenge, and a whopping 80% say they've increased flexibility around work in order to do so.

To become an employer of choice for new generations, the federal government must dramatically increase the flexibility, efficiency, and support it offers its people. And as employers everywhere continue to reimagine work, federal agencies need to join private-sector companies in shifting the focus of human capital management from output to [value and meaning](#).

“While older generations hold stereotypes of the federal government as a slow-moving employer that keeps you at the same desk for 40 years, younger people are enthusiastic about the change they can enact through government work,” says Paige Bayliss, managing director in Deloitte's HR Transformation practice. “Their hunger for meaningful work, combined with the federal government's need for younger, high-skill workers, offers a great opportunity for agencies to hit the right note.”

The good news? Modernizing hiring and employee engagement is more than manageable with the right human capital management approach in place. Here's a look at how federal agency leaders can leverage technology to build a best-in-class workforce with the resiliency, agility, and commitment required to deliver better solutions, faster.



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## Attracting a new generation of the best and brightest.

Regardless of macroeconomic and political shifts, one perennial challenge persists: government jobs go unfilled because agencies can't find workers with the right skills. Federal agencies can combat this pervasive issue by adopting cloud-based systems to recruit competitive candidates and derive more value from their existing employees. By leveraging machine learning, these systems enable HR leaders to streamline HR functions and spend more time on higher-level strategic issues.

These systems, for example, can address the need to reduce time to hire, a long-standing government goal that has yet to achieve much success. In recent years, federal agencies have averaged roughly 100 days to fill jobs—well above the [80-day goal](#) and [3x as long as the private sector](#).

Today, as job applications mushroom—25% of candidates apply for 10 or more jobs, according to [Gartner](#)—federal HR leaders need to automate the experience to cut through hundreds of low-quality applications. By helping agencies source and identify the best people, these systems enable federal recruiters to spend more time focusing on the right candidates while decreasing their overall workload.

In addition to streamlining recruiting for federal agencies, cloud-based solutions offer mobile-first, intuitive tools to ensure younger job candidates experience a more engaged hiring and onboarding process, too.

“Millennials and Gen Z applicants expect to enter the hiring queue quickly and move through it seamlessly, whether they're applying to jobs on their phones or using chatbots to check the status of their application,” says Wayne Bobby, vice president, Federal Government, Workday. “Cloud-based tools speed the application process and create an immediate relationship with applicants so they feel valued—and so they don't assume that they threw their resume into a void.”

These tools also create a unified view of an agency's abilities and bandwidth. By centralizing current employee data, [cloud-based systems](#) give managers real-time visibility into their team's existing skills and needs so they can make better hiring decisions, faster. Easy-to-use interfaces and dashboards help government leaders understand their competency gaps and surface better solutions, such as creating more accurate requirements for specific jobs or finding the right skills-based assessments to screen applicants.



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Vice President, Federal Government,  
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As well, a cloud-based HR platform with strong data and analytics capabilities can identify the strengths and competencies that make current government employees successful and engaged, enabling hiring managers to more effectively target new candidates who will also thrive. At the same time, these tools can help federal agencies deliver personalized career guidance and individual learning suggestions to its massive workforce, allowing them to deliver career evolution and opportunity at scale.

“An agency that can use data to assess its workforce is an agency that can maximize its talent investments and advance its mission,” says Michelle Oltmans, a federal solutions specialist at Workday. “But it’s not enough to merely have the data—it needs to be easily accessible.”

Indeed, as federal agencies rush to meet evolving needs in an ultra-competitive hiring environment, a single platform that unites all HR data and tools can make the difference between a struggling workforce and an optimized one. A good platform not only creates real-time visibility—it also creates the flexibility to tailor responses and hiring plans, and the ability to quickly implement them.

Together, these abilities ensure that an agency can put the right people in the right jobs and [maximize its mission](#).

## Building and committing to a diverse and inclusive workforce.

Like many employers, the federal government is strengthening its commitment to workplace diversity. President Joe Biden’s Presidential Management Agenda and a [related executive order](#) demonstrate the administration’s commitment to using the federal government as a model for diversity, equity, inclusion, and accessibility. Federal agencies, therefore, need to oversee robust programs that prioritize representation in all areas—including race, ethnicity, gender, sexual orientation, religious or spiritual beliefs, life experiences, and more.

This mandate is backed by reams of research that proves diverse representation, creating a [culture of belonging](#), and developing equitable practices [benefit a business’s top and bottom line](#). According to [analysis from Deloitte](#), when employees trust their employer’s diversity, equity, inclusion, and accessibility (DEIA) commitments, their engagement can increase up to 20% and their chances of leaving plummet by 87%—a finding that’s especially powerful during this era of the [Great Resignation](#).

As a result, federal agencies are looking for a disciplined approach that creates progress in hiring, retaining, and promoting diverse talent while creating a culturally aware workforce.

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Because agencies can't improve what they can't measure, strengthening diversity must begin with data. "Agencies need to know where they currently stand when it comes to [diversity, equity, inclusion, and accessibility](#)," says Workday's Bobby. "It starts with knowing your statistics."

To understand how to make the most impact and accelerate progress, federal leaders first need to analyze their current employees and candidate pools. Cloud-based systems deliver advanced analytics and customized dashboards around diversity—including age, ethnicity, gender, and veteran status—as well as pay equity and other metrics. The best solutions also deliver similar metrics around candidate diversity for every job posting so recruiters can better understand the demographics of their pipeline and work to attract, screen, and select the right candidates.

While hiring diverse talent is a critical element of any DEIA strategy, leaders know the work extends far beyond recruitment. New hires will leave if they don't feel valued for their effort and perspective, or if they fail to see a path for professional development and ways to increase connection. Accordingly, the federal government needs to monitor its performance across the full employee lifecycle to ensure that a DEIA commitment permeates the entire workplace.

"When an organization has worked hard to establish a diverse workforce, it needs to work equally hard to build a culture that supports that workforce," says Oltmans. "How does a workplace become a community to which people feel they belong? How does it create trust that it will continue to uphold its commitment to inclusion and belonging?"

Deloitte experts have observed that gaining employee trust in relation to DEIA initiatives begins with making and demonstrating effort. One way to establish this trust is to follow the structured approach that Workday created to build inclusivity and belonging within its own ranks.

Workday has implemented [VIBE™](#) (for Value Inclusion, Belonging, and Equity), an assessment that measures performance on everything from hiring and promotions to attrition. Results are shared in easy-to-digest scores, enabling government leaders to compare progress, identify the areas that need the most attention, and transparently share results.

VIBE further establishes trust because it doesn't analyze employees through a single lens, such as gender or ethnicity. Instead, it looks at the full spectrum of workers' identities and how different elements intersect to influence their work lives. Considering the many demographic, cultural, and experiential dimensions that contribute to each employee's identity helps employers value workers for who they are, tap into their unique talents, and establish gratifying careers that meet their evolving needs.

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## Leveraging a sense of mission to improve engagement.

Employee engagement is the mental and emotional connection an employee feels to the work at hand and to the organization as a whole. In any industry, employers focus on engagement to build a high-performing workforce, prevent attrition, and boost productivity and work quality. But in the public sector, engagement matters even more because workers often serve as the public face of government agencies. “Engaged workers tend to perform better, and better work leads to better customer experiences and [greater trust in government](#),” says Deloitte’s Bayliss.

If strong employee engagement can reestablish citizens’ trust in the U.S. government—which has [continually declined](#) for more than 50 years—then engagement can ease the government’s talent shortage while also addressing additional challenges around government inefficiencies. In short, increasing federal employee engagement is not only good for workers, but good for the country as a whole.

It’s hardly surprising that the Biden administration is striving to improve federal employee engagement by ensuring workers are heard, have growth opportunities, and operate within a strong personnel system. Still, reaching that goal requires overcoming significant challenges. For the first year in more than a decade, the percentage of engaged workers in the U.S. declined in 2021, according to a [Gallup study](#). Only 34% of employees were engaged, and 16% were actively disengaged in their work and workplace, based on a sample of 57,022 employees.



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Managing Director, HR Transformation,  
Deloitte



Fortunately, the government has a compelling advantage as it competes to engage top talent: its mission to serve the American public. The OPM’s [Federal Employee Viewpoint Survey](#) shows that workers are inspired by their work and connected to their agency’s mission. In fact, 87% of respondents said they understood how their work relates to their agency’s goals, while 75% said their work gives them a feeling of personal accomplishment.

So to increase engagement, government agencies need to appeal to workers' desire for meaningful work. This means ensuring employees understand the connection between their jobs and the larger agency mission, as well as why that mission matters.

"Federal job seekers and current employees want three things: one, an understanding of how to build a rewarding career path in federal service; two, a promise of community in their agency; and three, a sense of mission accomplishment," says Bobby. "The federal government offers all three, but agencies need to connect the dots and more clearly communicate the answers."

Cloud-based technology can help federal agencies better connect those dots and begin to strengthen the employer-employee relationship. By enabling a more consultative HR team, the right systems enable recruiters to become employee advocates who create roadmaps to fulfilling, evolving careers.

This modern HR approach can enhance the workforce experience by replacing rigid processes with dynamic experiences—an important ingredient of high-performing workplace cultures, according to [Deloitte research](#). One way to accomplish this at the federal level is to give workers a voice in designing their development and connecting their daily efforts with the agency's mission and values.

Cloud-based tools enable this dynamic approach, offering personalized solutions to meet changing employee goals and evolving mission objectives. These tools have a user-friendly, mobile-first design and a single application that meet applicants and workers where they are, eliminating the frustration of paperwork, rigid processes, and outdated legacy systems.

Cloud-based HR systems also leverage machine learning to help government agencies pinpoint their skills gaps and let workers easily identify opportunities for growth and paths for advancement. From there, workers can access training modules that meet their personal needs and goals.

"When combined with a smart change management approach, these technology solutions can help the federal government empower its people," says Lou Heinzer, principal in Deloitte's Federal Human Capital practice. "Empowerment, in turn, lowers turnover and creates the engaged, flexible workforce that the U.S. government needs."

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## A roadmap for the future, informed by the pandemic.

The COVID-19 pandemic irrevocably changed the U.S. workforce and the employer/employee relationship. This extends to federal employees, who quickly pivoted to remote or hybrid work and alternative schedules. They fully embrace the change: **70% say they are more productive** while working remotely, while 79% say the COVID-era flexibility made them more committed to their agency's mission.

This desire to continue working from anywhere means that agencies must keep prioritizing cloud-based technology, collaboration, and intelligent automation tools to create **high-performing, agile work environments** that drive engagement. Robust training and clear communication are also essential to ensure everyone is up to date as technology solutions and work processes evolve.

On a larger level, government HR must pivot from its outdated transactional approach to become a value driver that provides exceptional experiences and integrated solutions. Flexible technology solutions and change management can help federal leaders support their changing workforce by adjusting benefits, training, and experiences so they can best meet future challenges.

“While we hope to avoid another pandemic in our lifetime, we’ll certainly have to grapple with new large-scale crises,” says Bobby. “Continuing to build modernization and flexibility into the government’s workflow is necessary to successful crisis response.”

## Mission-critical: non-negotiables for building a workforce that delivers effective mission support.

Government agencies cannot manage the complexities of today’s workforce with systems that were built to manage 1960s-era HR problems. Their current HR systems lack the flexibility and analytical capabilities required to address today’s challenges, let alone those of the future.

To adapt to whatever tomorrow brings while continuing to deliver on a broad range of agency missions, federal leaders need a flexible, data-driven workforce filled with engaged and diverse employees. Leaders need to better understand their workforce to make fast, smart decisions amid ever-increasing complexity. Ultimately, they need an HR function that is strategic rather than transactional.

Modern and secure cloud-based systems are integral to achieving these priorities. Solutions that unify talent management, payroll, time and attendance, and recruitment enable government agencies to automate many day-to-day personnel processes and give their workers more control through self-service options. As these streamlined technology solutions offer dynamic and actionable insights into their talent environments, agency leaders can better focus on basic operations to identify and respond to evolving human capital needs.



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While there is no single, all-encompassing digital solution able to accomplish the entirety of a federal agency's needs, there will always be data integrations to support and multiple vendors to juggle. When an agency's HCM needs are underpinned by a cloud-based enterprise management solution, however, agency leaders can effortlessly import external HR, financial, and operational data, then combine it with existing data and present it through an intuitive and user-friendly reporting framework.

This is especially useful when driving a DEIA strategy, tracking job performance, and retaining talent. With real-time analytical power, leaders can quickly assess changes in their employee diversity mix over time. Leaders can monitor their hiring, promotion, and termination statistics across employee groups. And they can combine insights into the costs, capacities, capabilities, and qualities of federal employees to optimize resources and define strategies to achieve mission-centric goals.

In a future filled with plenty of twists and turns, a responsive federal government must be staffed by savvy, skilled workers. By equipping its agencies with accessible, configurable cloud solutions that adapt quickly to change and better enable strategic HCM decisions, the U.S. government can create a workforce—and a future—that drives results for the benefit of all.

### Your future-ready workforce starts here.

Deloitte and Workday can assist with solutions and strategies that give valuable time back to HR and help teams successfully navigate human capital challenges. By merging Workday cloud technology with Deloitte's [best-in-class management consulting](#), federal leaders can transform their HR processes from a stodgy liability into a strategic advantage.



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