Leveraging HR Technology to Build the 21st Century Public Service
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This is an exciting time to be working in human resource management since organizations globally recognize the crucial role that their talent plays if they are to succeed. It is also a time of rapid change fueled in large part by technology advances that is changing jobs and how, where and when work is performed. This has a great impact on the employees, those who provide services to governments, and the citizens who are the recipients of the services. All of these factors present challenges and opportunities for those working in public sector human resource management. The human resources department is the only department in organizations with the people as its primary mission. Therefore, those working in human resource management should be in a strategic role within their organizations and be involved in all decisions that could impact employees.

A 2018 study by the IBM Institute for Business Value titled “Unplug from the Past” notes that this year, the focus on talent has risen sharply, with 65% of chief executive officers indicating that people skills will have a strong impact on their organizations over the next several years. The book “Talent Wins” by Ram Charan, Dominic Barton, and Dennis Carey suggests that organizations need to shift from strategy-first to people-first. The authors’ state that “Talent, even more than strategy, is what creates value” and they call for a heightened role for the Chief Human Resource Officer as part of a core executive group along with the Chief Executive Officer and the Chief Financial Officer.

The positive impact that human resources can have on organizations was noted by University of Michigan Professor Dave Ulrich who stated that when HR professionals do their work well, good things happen to:

- Employees who have both higher work productivity and personal well-being,
- Organizations that deliver on goals,
- Customers who receive products or services that matter to them, and
- Communities where citizens needs are better met.

Despite all the emphasis on the crucial role that talent plays within organizations, there remains an overall negative perception of human resource departments. Human resource departments have been seen as playing more of a transactional rather than strategic role. Also, human resource professionals were seen primarily as the enforcer of rules who told others why they
could not do something rather than looking for creative solutions to workforce issues. In 2005, Fast Company magazine published an article titled “Why We Hate HR” that became very popular. To show that human resources still retains a negative image, earlier this year, an article was published titled “Why We Still Hate HR, 12 Years Later”. In 2015, the cover of the Harvard Business Review featured a bomb with the headline, “It’s Time to Blow up HR and Build Something New”.

The table below highlights the challenges still facing those working in human resources. This table summarizes the results of a global survey from 2014 that asked those working in human resources to rate their capabilities on 27 different factors and also asked people working in other parts of organizations to rate the human resources department. On each of the factors, those working in human resources rated themselves significantly higher than did non-HR respondents. As long as this gap remains, it will be a challenge for human resources departments to demonstrate their value and to be seen as a strategic player within organizations.

![Image of HR respondents report higher capabilities than non-HR respondents across all subtopics chart]
In the report the “Workforce of Tomorrow” from the Center for State and Local Government Excellence, the following vision was set for human resource management in the public sector:

Often seen as the rule police and the agency of no, the human resources department of tomorrow must be flexible, nimble, creative, can-do, strategic, and staffed by skilled employees who champion people management issues and set the workforce agenda.

In the IBM Institute for Business Value study cited previously, chief human resource officers who were surveyed reported the following roles need to be adopted or enhanced to transform their roles to reflect the changing organizations:

- Understand how emerging technologies will enable the workforce
- Partner more closely with other organizational leaders to support the organization
- Be a critical change agent during transformation efforts
- Represent the voice of the employees as a member of the leadership team
- Understand analytics and how they can be used to address critical issues

To assist public sector HR professionals to move from being transactional to being more strategic and transformational, the International Public Management Association for Human Resources (IPMA-HR) issued a report in 2016 titled “HR 2020 Shifting Perspectives: A Vision for Public Sector HR”. The report was developed by a taskforce of IPMA-HR members and is intended to be a practical guide for public sector HR professionals. The report identifies five focus areas that include leadership, culture, talent, technology, and communications that should be viewed through the lenses of business acumen, strategic orientation, and innovation.

The report states that:

The HR profession exists in a rapidly evolving world; volatile economies, environmental impacts, rapid changes in technology, and the changing needs of the workforce require HR professionals to think differently about how to shape the organizations that deliver services to citizens. The unprecedented speed of change is not likely to slow, but to increase, and it is critical that future-focused strategies are developed now to meet the challenges and opportunities ahead.

Additional details on the report are included in the appendix.

**Impact of Technology/Digital Culture**

The McKinsey Global Institute issued a report in 2017, “Jobs Lost, Jobs Gained: What the Future of Work Will Mean for Jobs, Skills, and Wages” predicting that globally by 2030, 400 – 800 million individuals could be displaced by automation and need to find new jobs. In Korea, the report estimates that 6.6 million employees could be displaced by automation. The report found that up to 375 million people may need to switch occupational categories and learn new skills. China faces the largest number of workers who may need to switch occupations, with up
to 100 million or 12% of the workforce. By percentage, 1/3 of the workforce in the United States and Germany and up to ½ of the workforce in Japan may be impacted by technology. Jobs involving managing people, applying expertise, and social interactions will have less of an impact from automation. Even where tasks are automated, employment in those occupations may not decline, but workers may perform new tasks.

For governments, providing job retraining and enabling individuals to learn marketable skills throughout their lifetime will be a critical challenge. Retraining during the middle of careers will become more important as the skill mix needed for successful careers changes. Also essential will be providing income support and other forms of transition assistance to help displaced workers find gainful employment. Robert Schiller, a US economist has suggested that due to the technology transformation that is coming, consideration should be given to a “robot tax” to support those who technology makes redundant.

“The Journey to Government’s Digital Transformation” issued by Deloitte in 2015 and authored by William Eggers and Joel Bellman has findings on digital transformation that are based on a survey of more than 1,200 government officials from over 70 countries. The survey found that digital technologies are having a major impact on government. The report provides measures of digital maturity which they define as the extent to which digital technologies have transformed an organization’s processes, talent engagement, and citizen service models. They put organizations into three categories: early (26% of respondents), developing (60% of respondents), and maturing (13% of respondents). The primary drivers of digital transformation in government are cost and budget pressures and citizen demands. Digital leaders have a clear strategy along with a culture and leadership committed to drive the transformation.

The authors stated that “public sector executives increasingly expect HR functions to adapt and embrace digital solutions to tackle workforce-management challenges. But only 40% of respondents from the HR function report fundamental transformation of processes as a strategic objective. Furthermore, less than 30% cite innovation as an objective of their digital strategy.” These ratios are the lowest across all functions surveyed, which they cite as a concern given the difficulties governments face in acquiring needed workforce digital skills.

The survey identified workforce and skills as the most challenging area for digital transformation. There is a need to develop a plan outlining needed workforce capabilities and how they will secure them. Hiring the right talent may require examining new recruitment sources and utilizing such programs as internships and fellowships and hiring for short-term assignment-based teams/projects. Identifying skill gaps and investing in existing staff is a needed first step. Emphasizing the impact that the work of government has on the lives of citizens is one important method to attract younger talent who value the chance to make a positive impact through their work. Recruitment is the job of all leaders and managers and not just the HR staff.

Those organizations that are more digitally mature have a culture that supports digital transformation and includes: nurturing innovation, fostering collaborative work environments,
and maintaining a positive attitude toward taking risks. The top barriers to digital transformation are too many competing priorities and insufficient funding. The lack of digital workforce skills also represents a major obstacle to transformation. The survey of public sector leaders found that:

- 90% of organizations report that workforce issues are a challenging area to manage in their agency’s digital transformation.
- 34% say their organization has sufficient skills to execute its digital strategy.
- 33% say their organization provides the right resources or opportunities to obtain the digital skills they need.

As core operations are driven by technology, the activities performed by employees and the ways they interact with internal and external customers and colleagues will shift. An article titled “It’s not a Digital Transformation without a Digital Culture” released by the Boston Consulting Group noted that a healthy digital culture is a type of high-performance culture which includes the following three attributes:

- Employee and teams are engaged to achieve results,
- Individuals and teams work in ways that will advance the strategy of the organization, and
- The organizational environment is set up to foster engagement and encourage behaviors that will advance the organization’s strategy.

While technology can greatly enhance our ability to work, it also results in a blurring of work and personal time since we are all connected 24 hours a day. Governments and employers need to be concerned with work-life balance and maintaining the emotional and physical health of employees and citizens. A French law that went into effect in 2017 requires companies with more than 50 employees to establish hours when staff should not send or answer emails. The German labor ministry in 2014 put in place a policy that prohibits managers from calling or emailing staff after work hours, except in an emergency. A study by Jeffrey Pfeffer, Stanford University, Stefanos Zenios, Stanford University, and Joel Goh, Harvard Business School in the United States estimated that workplace stress accounts for up to $190 billion US dollars per year of America’s healthcare costs. Professor Pfeffer stated “If employers are serious about managing the health of their workforce and controlling their health care costs, they ought to be worried about the environments their workers are in.”

Some corporations in Europe also have made efforts to reduce the risks of overwork. For example, Volkswagen blocked all emails to employees after hours while Daimler deleted all emails received by employees while on vacation.

How HR Is Leveraging Technology
The Harvard Business Review released a report, “The Benefits of Technology for the Strategic CHRO” that found that technology is a key tool for helping the human resources function meet its strategic goals. The report is based on a survey that identified the following nine human resource functions where technology is being utilized to some extent:

- Workforce administration such as managing payroll, benefits, rewards, etc.
- Employee assessment and performance management
- Recruitment
- Learning and development
- Employee engagement and retention
- Talent management
- Work-life solutions such as flexible work schedules
- Succession planning
- Workforce planning

The report identified a gap between importance and effectiveness in the use of technology by human resource departments. For example, 70% said that employee self-service portals, dashboards and online learning are important, but only 23% said they were using it effectively. Similarly, 68% said that data and predictive analytics for planning, evaluating and informing workforce decisions were important, but only 13% said it was being utilized effectively. Similarly, Deloitte’s 2018 Global Human Capital Trends report, “The Rise of the Social Enterprise identified people data as a trend of growing importance. However, while people analytics is rated important by 84% of respondents only 10% believe they are ready to deal with this challenge.

The Harvard Business Review report emphasized the importance of using data and predictive analytics in a way that shows how HR programs are working, how they improve HR practices and have a quantifiable impact on the outcome of the organization. IPMA-HR conducted a study in 2018 on HR Analytics that found 70% of respondents are collecting HR metrics. Over half report using data analysis to improve HR strategy and support. The most common improvement cited was better communication with senior leadership, with almost 70% believing that reporting on HR analytics affected HR’s strategic influence either somewhat or to a great deal. However, only 20% reported that their organizations provide training for data collection analysis. Human resource professionals are making progress in the use of data and predictive analytics, but more progress needs to occur.

The US Office of Personnel Management (OPM) released its 2018 Federal Workforce Priorities Report that noted that while technology does not pose a threat of fully replacing many occupations, there is a need to prepare for the future that is coming. Steps outlined in the report include:

- Developing soft skills in the workforce – The report predicts that there will be a long-term shift away from menial and simple labor to more complex and creative labor. The
skills that will be most needed in the next 5 – 10 years include the ability to manage diverse employees, relationship building, innovation, and working as a team. Organizations need to have programs in place to develop and promote the needed skills.

- Positioning the organization for flexibility and adaptability – Management systems need to be established to support the adoption of new technologies and updating talent strategies for evolving skill needs.

The OPM report discusses the digital lifestyle that has changed the way people communicate and interact with each other and their organizations. With the expected continued expansion of technology usage, governments will be increasingly using social media platforms for recruitment, encouraging collaboration, and managing knowledge. The report states that the internet is a top resource for connecting those looking for jobs with employers. Social media allows organizations to target passive candidates that might not otherwise have been identified. Implementing social media recruitment has been cited as improving the quality and quantity of candidates. Employers are making increasing efforts to reach mobile users by enhancing their career websites, job postings, and application processes to allow for mobile recruiting and some are moving to accepting social networking profiles in place of resumes.

**21st Century Public Service**

The National Academy of Public Administration (NAPA) in the United States released a report in 2018 titled “Building A Public Service for the 21st Century” that points to the need for the US federal government to act now to start building the workforce the government needs. Technology has changed work and there is a need to rebuild the workforce or risk falling further behind in the ability of government to serve the public. In the future, work will need “to be accomplished through flexible teams, not rigid structures, and building competencies around employees, not positions, will build the foundation for a high-performing workforce.” The government needs to shift from focusing on rules and compliance to one of performance and learning.

The report notes the most important challenge for government is investing in and improving the performance of civil servants. The report envisions a civil service system in which rather than being hired into individual jobs by an agency, individuals would receive qualifications for positions across government, based on their professional and personal competencies. Human resource managers would be strategic partners with program leaders in pursuit of their agency’s mission rather than being transaction-based and compliance-focused.

The report emphasizes the way in which automation is transforming the nature of work. A study by the US Office of Personnel Management indicated that 45% of all workforce activities could be automated. Occupations such as procurement, financial services, and payroll are likely to decline leading to a need for some employees to switch occupations. In other areas, such as cybersecurity, demand is increasing but the supply of new workers has not kept pace. Further, the report predicts that some jobs that do not lend themselves to being automated such as
managing and developing people, interacting with stakeholders, and applying the expertise gained from data sources will increase in importance. The report calls for the reskilling of those in government so that they can be transformed into the workforce of the future.

Increased attention on strategic workforce planning and an emphasis on the importance of human capital within departments and agencies is recommended. Employee development requires a reexamination, especially given the pace of change. Government agencies face a complex set of challenges including:

- Identifying the talent needed to keep pace with the changing nature of work;
- Applying fast, flexible hiring processes to acquire talent;
- Developing reskilling and upskilling strategies to help existing workers adapt; and
- Identifying workers whose skills no longer match the needs of government’s mission and transitioning them from federal service.

The report urges the development of shared services strategies to meet common needs, rotational programs, mentoring programs, and talent trading that would include bringing in private sector leaders.

The importance of human capital professionals shifting from being seen as rule-bound, compliance-driven roadblocks to being at the core of accomplishing the mission of agencies is mentioned in the report. Human capital professionals should be integral to each agency’s leadership team, as business partners to the operating managers. There should be new performance standards for human capital professionals that measure performance “not by the number of successful transactions (like hiring and firing) but by the quality and results of their work, including customer satisfaction and mission effectiveness.”

The report cited the mismatch between the government’s workforce and its mission given all the changes that are occurring in large part driven by technology. The report concludes, “To govern effectively, government must have the capacity to govern. The bedrock of that capacity is its workforce.”

**Conclusion**

Governments throughout the world are dealing with a variety of challenges and opportunities. Citizen demands are increasing, many governments face budget/resource challenges, the pace of change is accelerating in large part due to technological advances, and there is a struggle to find talent to fill mission critical public sector positions. The shift to a digital workforce is resulting in changes to how, where, and when work is performed as are employment relationships. Technology is leading to the elimination of some jobs while creating others. The need for reskilling and upskilling of employees is increasing.

The workforce remains the crucial factor as to whether governments achieve their missions and deliver needed services to citizens. Human resource professionals play a key role in ensuring
that governments have the talent for work in the 21st century and that it is managed effectively throughout the employment life cycle. Technology can be an enabler that assists human resource professionals in moving away from transactions and into a more strategic role.

Governments need to be employers of choice who can compete for top talent. Employees today are looking for work that has meaning and this should be a competitive advantage for governments whose actions improve the lives of their citizens. There is a need for governments to ensure that they have a culture that embraces technology while supporting the workforce whose jobs and roles may be changing.

These challenges and opportunities require the active engagement of human resource professionals who have the skills and knowledge to address them. Human resource professionals need to have business acumen, think strategically, and develop innovative solutions to the many workforce challenges. They also need to master the use of data and predictive analytics to show the value of human resource initiatives. The opportunity to have a positive impact and contribute to building the 21st century public service makes it a great time to be working in human resource management.

Appendix
HR 2020 Shifting Perspectives: A Vision for Public Sector HR

The HR 2020 report is available online through the IPMA-HR website at: https://www.ipma-hr.org/stay-informed/research-and-reports/hr-2020-shifting-perspectives/hr2020/hr2020-report. The taskforce that developed the report identified three critical lenses: business acumen, innovation, and strategic orientation. Viewing HR initiatives through these lenses will assist HR professionals to move services from transactional to transformational. The taskforce selected five areas of focus: leadership, culture, talent, communications, and technology.

Business Acumen

Business acumen is the ability to see the organization from an executive-level perspective. Business acumen includes “the ability to understand and clearly articulate in business terms how HR programs impact key objectives of the organization, including the ability to frame a business case, state the value proposition and demonstrate return on investment of key HR initiatives.” The business of the agency must be understood including knowledge of metrics, performance measures, finances, technology, public process, and political realities.

Innovation

We live in an age of rapid change that requires continuous improvement and innovative strategies and solutions. The report states that “HR is well positioned to be innovation leaders; HR professionals have a unique and comprehensive view of the organization and as such can assist in finding efficiencies and other opportunities to streamline operations and deliver services more effectively.” HR needs to develop innovative solutions although this will require taking risks and failing occasionally; these experiences will provide the opportunity for learning and growth.

Strategic Orientation

Strategic orientation encompasses the ability to assess the environment, understand the challenges and opportunities facing the organization, and figure out a path to move the organization to where it needs to be. When applied to the HR profession, strategic orientation “includes the use of performance measures and metrics that assess the strategic impact of HR initiatives.”

Leadership

Leaders create a vision of an outcome, share the vision and influence others to contribute to the result. The report notes that the “indispensable HR professionals position themselves as people who understand the pressures and challenges of the leader and are available to help create the best solutions possible.” In an IPMA-HR survey of senior HR leaders, 95% agreed that HR professionals need to be recognized as leaders within their organization. However, when asked if their HR department is consulted when the organization makes operational decisions,
only 63% agreed. Additionally, only 40% indicated they have the necessary tools and resources to be viewed as a strategic partner.

Human resource professionals need to offer creative and well-crafted solutions rather than citing rules that will be perceived as administrative roadblocks. When human resource professionals offer innovative solutions that address the talent needs of the organization, they will become a trusted and valued partner and advisor. Knowing the business of the organization, the context in which it operates, and offering solutions to organizational issues will assist human resource leaders in demonstrating the value that the HR function brings to the organization.

**Culture**

The culture of an organization is its personality – how it functions and expresses itself. “Culture has a fundamental impact in that it influences the relationships employees have with leaders and co-workers, the work that is performed and the way in which it is performed, and the type and quality of connection to the organization that is experienced.” HR professionals need to understand the culture of the organization and how they can assist in implementing changes to the culture. Culture can be difficult to measure and manage and public sector culture is often seen as being bureaucratic, inflexible, rule-bound, and risk averse. An IPMA-HR survey found that only 50% of respondents stated that their organization supported innovative approaches to doing business and only 49% reported that their recruitment and selection processes directly supported the culture they are trying to create and sustain. Almost 100% reported a gap between the desired and actual behaviors of managers and employees in their organizations.

Trust and integrity and the consistent upholding of organizational values are crucial in shaping and reinforcing organizational culture. HR professionals are well-positioned to help influence leadership of their organizations by focusing efforts on such things like employee engagement and climate surveys, organizational values, ensuring that systems, policies and procedures are aligned with the values of senior leadership, and communication.

**Talent**

Talent management is the “heart of all HR programs and services” and focuses on recruitment, retention, and rewards as well as matching the right people in the appropriate roles to help the organization achieve its mission and implement its vision. The emphasis in talent management programs is on ensuring there is a high performing workforce in place to execute and realize desired results. “The public sector in general has realized that acquiring, developing, deploying, engaging, and rewarding employees with the right knowledge, skills, abilities, and competencies are crucial to managing talent.”

The importance of talent management to the success of government organizations was recognized in an IPMA-HR survey where 97% of respondents said that it was important or very important. However, when asked is your organization prepared to meet the challenges of
recruiting, retaining, and rewarding top talent in the next five years, only 7% said they were very prepared and another 30% reported being somewhat prepared. Human resources professionals need to lead the implementation of programs that support recruiting, retaining, and rewarding talent.

Technology

Technology is critical in providing human resource services and is helping to drive the speed of change. “Technology is a key driver in creating potential opportunities and success as HR prepares organizations to deliver services and respond to the challenges of the future.” Human resource professionals need access to accurate, current workforce data. Social media also presents challenges for governments, although it can be used effectively to assist with recruiting and communications.

Part of the challenge for the public sector when it comes to technology is the cost. Additionally, the implementation of new technology often requires significant resources that are taken away from other initiatives. In an IPMA-HR survey, 94% of respondents said that technology was very important in achieving HR priorities in the next five years. Half of the respondents shared that it was difficult to budget appropriately for meeting technology needs. Data integrity issues also were cited as a concern.

Communications

Human resource professionals need to have a communication strategy included in all initiatives. There are an increasing number of communications channels requiring organizations to be innovative in developing strategies to ensure that information reaches all employees. “HR has a leading role in ensuring employees are well informed and communication gaps are minimized throughout the organization.” Public organizations today have workforces with multiple generations requiring diverse communications strategies. Organizational leadership needs to commit to invest in communications and human resource professionals need to contribute to the development of an organizational communications strategy to drive employee engagement and connectivity.

Next Steps

IPMA-HR has established a website with additional resources designed to help human resource professionals. The website includes the HR 2020 report plus new resources for each of the focus areas. The website can be found at https://www.ipma-hr.org/stay-informed/research-and-reports/hr-2020-shifting-perspectives.

In 2018, IPMA-HR released three online assessments that are designed for human resource professionals, human resource departments, and the business partners or customers of the human resource department. The assessments are designed to help human resource professionals take a critical look at their service delivery and knowledge of human resources to
identify strengths and development areas. The assessments for human resource professionals are self-scoring and provides scores based on the three lenses and five focus areas. An interpretation of the scores is provided. The human resource department assessment is designed for members of the human resource staff to rate the department overall. For organizations that complete the departmental assessment a customized report will be provided showing the results. The business partner assessment results are provided to the human resource director. The assessments are free, and a unique link can be provided by contacting Neil Reichenberg, IPMA-HR executive director at nreichenberg@ipma-hr.org.