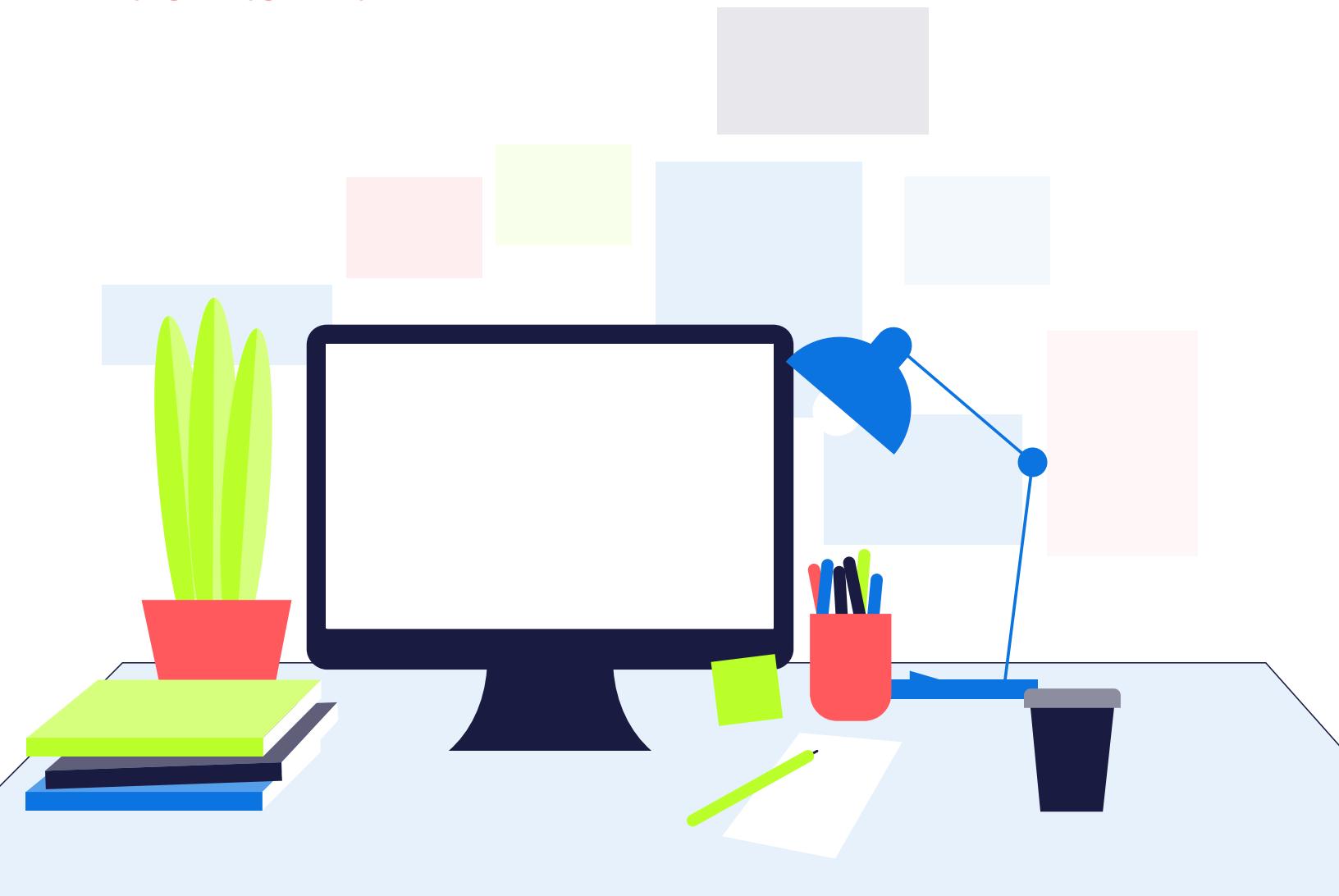


# Critical Operations in the Telework Era: How State & Local Government Adapted

RESEARCH BRIEF



# Executive Summary

Governors' stay-at-home orders in response to the coronavirus pandemic led many state and local government agencies to shift almost overnight from primarily in-person operations to remote work. That meant IT managers had to ensure that employees had the technology and access to data and applications they needed to collaborate and do their jobs virtually.

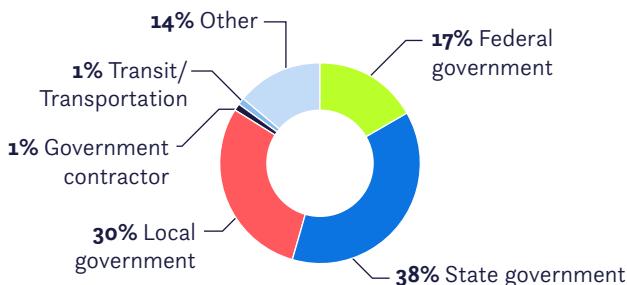
This was especially important for critical management operations such as finance and human resources (HR) – activities that are traditionally heavily onsite. Now, with several months' hindsight, officials are able to assess how well prepared they were to support those essential operations – and what they need to do to fill gaps the experience exposed.

GovLoop partnered with Workday, a provider of cloud-based enterprise resource planning (ERP) systems for finance and HR, to survey 91 federal, state and local government workers about their pandemic preparedness. The majority of respondents were from state and local government.

In this report, we look at the findings plus how well agencies were supported in their IT endeavors, how they drew from existing continuity of operations plans (COOP) and how they now plan to edit them, and how they can get and stay resilient in this new normal.

*\*Please note that in some charts, the numbers do not add up to 100 due to rounding.*

## I work for...



## By the Numbers

**\$54 billion**

projected state and local income and sales tax revenue in fiscal 2020

**\$500 billion**

projected loss of revenue for states based on historical patterns

**\$150 billion**

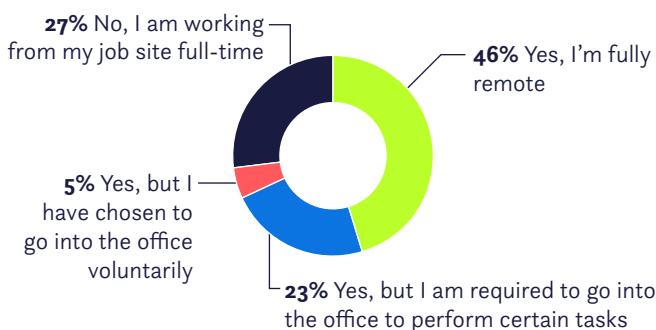
COVID-19 relief fund for state and local governments as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act

# Tackling Telework

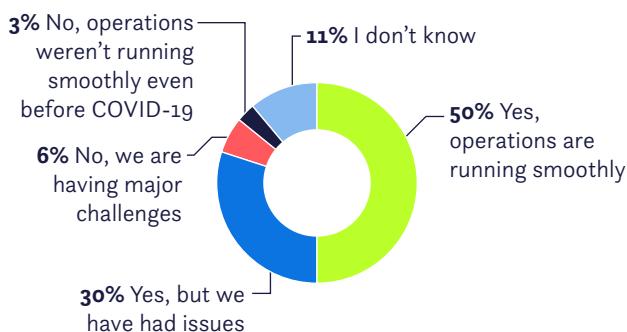
Across all levels of government, the number of teleworkers jumped during the pandemic. The General Services Administration went from 50% to majority telework, but many state and local government workers are in the field or considered essential, as evidenced by the fact that two weeks after the first confirmed case of coronavirus in New York, 33,000 city employees still used a shared hand scanner to clock in.

But 27% of survey respondents said they were working from their job sites full time (See Figure 1). That may partly explain why only 6% of respondents said they had major issues with keeping management functions such as enterprise planning and finance running without interruption (See Figure 2). Half the respondents said that management functions such as enterprise planning and finance continued uninterrupted, and 30% said operations continued but with some issues.

**Figure 1: Are you working remotely?**

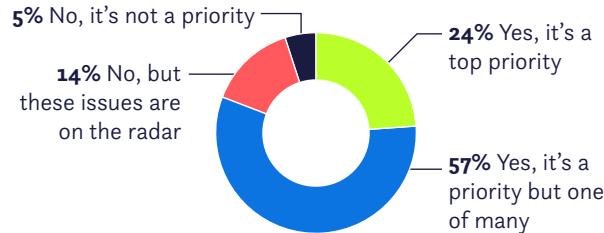


**Figure 2: Are management functions, such as enterprise planning and finance, continuing uninterrupted during the pandemic?**



At those agencies experiencing challenges, fixing them is a priority, 81% of respondents said, but one of many. Only 24% said it's at the top of the list (See Figure 3).

**Figure 3: If not, is fixing those issues a priority?**

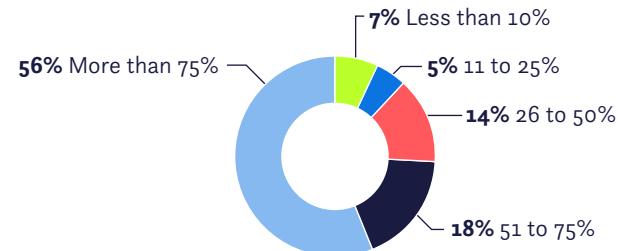


"When you look at what the government does, it is all about people – hiring people, paying people, interacting with vendors," said Ray Elwell, Government Planning and Analytics Lead at Workday. "So, the pandemic has presented quite a challenge. But what we're seeing is that things that were previously thought of as having to be done in a centralized location can actually be done remotely. Modern technology systems can deliver so much power. Once you remove the physical requirement for processes – like mailing or handing off invoices to accounts payable to be paid, for example – it opens up the possibility for jobs to be done remotely."

Fifty-six percent of survey-takers said that more than 75% of their workforce management and financial capabilities can operate in a remote environment, while 18% said about half to 75% can operate remotely and 14% said about a quarter to half can work remotely (See Figure 4). This indicates that agencies are facing challenges in these areas.

"It really became a struggle because there wasn't a centralized location where work could get done," Elwell said.

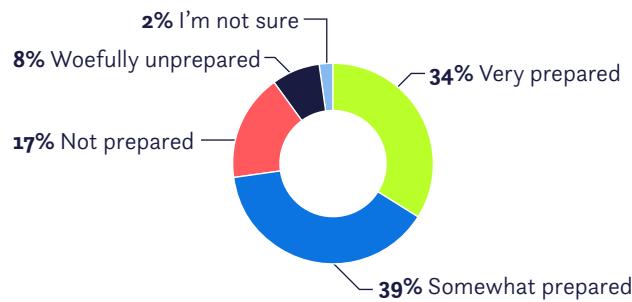
**Figure 4: What percentage of your human capital management and financial capabilities are able to operate in a remote environment?**



# Prepared to Pivot?

As agencies shut physical offices down, the level of preparedness to shift operations online ran the gamut from completely unprepared to fairly well prepared. Specifically, 8% of respondents said they were woefully unprepared, 17% said unprepared and 73% said they were somewhat to very prepared (See Figure 5).

**Figure 5: How prepared was your agency to support remote work during COVID-19?**



"The number of respondents who said they were unprepared was a little bit higher than I thought it would be, and if you add in those who responded that they were somewhat prepared (39%), you can see there's really a lot of work to do to ensure business continuity in the future," Elwell said.

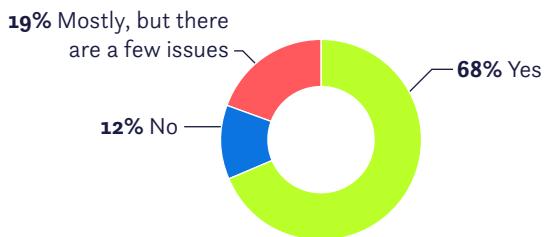
But the number of respondents who said they were very prepared (34%) was also higher than expected. "The good news is we have a lot of great examples for what worked and what didn't that can help guide organizations on being more prepared," he said.

To support finance and HR functions, which are traditionally centralized in government buildings, several main challenges emerged: ensuring that remote workers have internet access, that they have personal or work-issued devices to use at home and that they have secure access to government systems.

"A lot of governments went through a discovery process, and they started realizing how many business processes require a physical presence in a centralized location, like printing checks, signing documents or accessing files," Elwell said. They had to ask the important questions, like "How do we disburse invoices that are being mailed to us?" and "How do vendors submit bids for a competitive procurement when city hall is closed?"

Of the survey respondents who said they switched to remote work, 68% said they receive the same level of support and services – such as receiving pay, processing orders and paying vendors on time – as they do in the office (See Figure 6.) The 19% who said they have a few issues and the 12% who said they don't get the same level of support said some of the major problems were around remote working and access.

**Figure 6: If you're working remotely, are you receiving the same level of support and services as you were in the office (Ex receiving pay, processing orders and paying vendors timely, ability to access and change personal information, etc)?**



For example, one respondent wrote that they experienced slower load times and lost connections to servers, and that it is harder to contact other departments over the phone. Others noted being stymied by the need for physical signatures and paper statements that had not been scanned to a shared drive.

"When I was working remotely, I used my own equipment," a respondent wrote. "[I] had no access to our software or a city cell."

Several months into the pandemic response, some agencies still needed HR and financial employees to report to the office to sign documents or issue purchase orders. That's going to have to change, Elwell said.

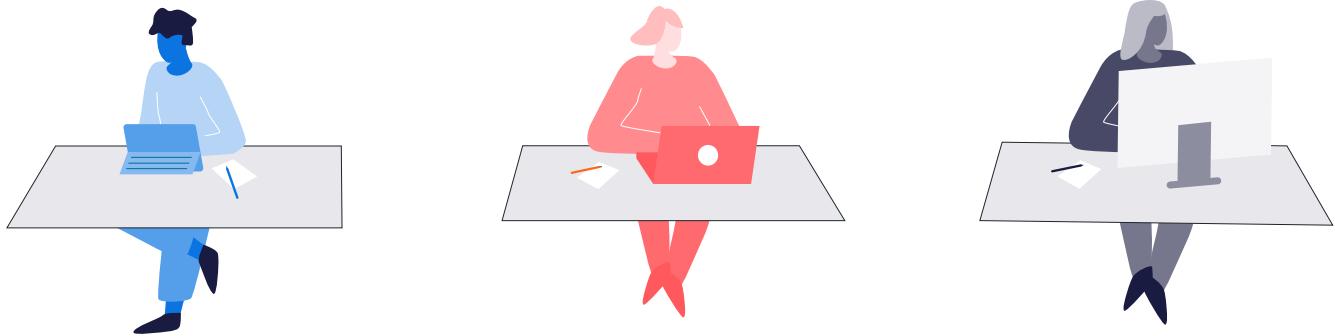


For example, HR departments are finding that job applicants don't have to fill out paper applications; they can do it online. In fact, agencies can recruit, interview, hire and onboard new workers without any physical interaction at all – something that previously seemed impossible. But the coronavirus has proven that some of these interactions are not only possible, but can be successful.

"Governments can't just shut down to try and wait it out," as some businesses were forced to do, Elwell said. "They have to pay their employees. They have to pay their vendors. They can't just say, 'Because our payroll process

is on-premises and requires six people to run, you'll get paid eight or 10 weeks from now, when we're able to get back to work.' That's just not possible."

It's also unnecessary, given technological capabilities. Employees who want to get paid must move to direct deposit, for instance, Elwell said. To do that, agencies must invest in modern technologies because the decades-old IT systems many of them use for HR, performance management and recruiting don't support remote work.



## A New Response to COOP

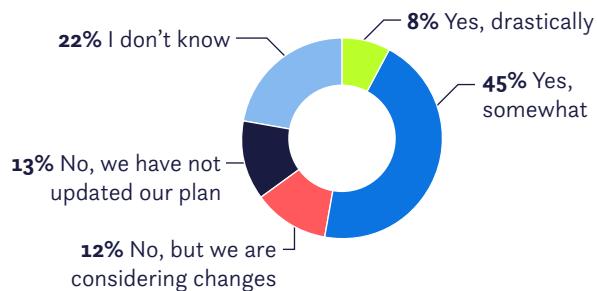
The pandemic has made clear the need for modern technologies and remote access to applications and data, but armed with that knowledge, how will agency leaders respond and how can IT shops be resilient in adapting to today's situation?

One way they can adapt is by updating their disaster recovery and continuity of operations plans. Traditionally, those have focused on how back-office operations such as HR and finance would function in two scenarios: a natural disaster or a threat to the physical infrastructure, such as the computer room going down.

"Most COOPs didn't fully anticipate what happens if everybody has to work from home, with little to no physical human interaction. A lot of plans were built around being able to activate an emergency operations center, where at least purchasing, accounting and payroll staff can come together to work," Elwell said. "The rules for this event were different." That led some agencies to reconsider their COOPs. About 8% of survey respondents said their plan has changed drastically since the pandemic struck, and 45% said theirs had changed somewhat (See Figure 7). Some of the positive feedback from respondents includes agency-provided support for

internet connection, added contingencies for remote work and transitioning all financial and audit functions to online processing.

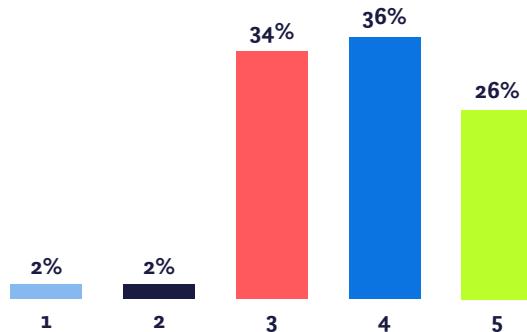
**Figure 7: In terms of supporting management functions, has your agency's COOP plan changed since COVID-19?**



"For a time, they had us working in alternating pods – one pod in the office, while the other worked remotely," a respondent wrote. "In my opinion, this was very prudent for maintaining essential services. Now if one of us gets exposed, essential services will not be compromised."

Despite everything that has happened in these unprecedented times, most respondents said their agency's operations are fairly resilient. On a scale of 1 to 5, with 5 being very resilient, more than 35% ranked their agencies a 4. Almost 35% picked 3, and slightly more than a quarter chose 5 (See Figure 8).

**Figure 8: Many government leaders now talk about the need to make agency operations more resilient, that is, capable of being maintained in the event of another disruptive event. On a scale of 1-5, how resilient are your agency's operations? (5 = Very resilient, 1 = Not resilient at all)**



But there is obviously room for improvement.

"Unfortunately, this is probably not a one-time event," Elwell said. "Every organization needs to have a permanent solution in place because something like this is likely to happen again. We don't know when or how often, but it's something that governments have to take seriously. It definitely ratchets up on the priority list what they need to do for a more effective COOP."

This situation has shown that remote work is necessary and that agencies must address the infrastructure problems they encountered, such as having too few virtual-private network licenses, to be better prepared. To help agencies get started, Elwell offered four best practices:

- Five years ago, talk of **cloud** in financial and HR offices was virtually unheard of, but today, those conversations are more common. "Now that cloud technology has become more accepted in the government industry, we see organizations that are moving solely to the cloud.

"They're not looking to on-premises solutions," Elwell said. Agencies that were most successful with remote work during the pandemic had cloud, rather than on-premises, applications.

- Agencies also need to invest in cloud services such as **software-as-a-service and platform-as-a-service solutions**, which enable employees to focus on mission-critical technology, rather than maintaining outdated systems.
- What's more, **outsourcing disaster recovery and COOP operations to cloud providers** is less costly than handling them yourself, not to mention that many agencies say they can't match the system access that cloud vendors can provide, Elwell said.
- Lastly, they need to implement **mobile technologies** that allow employees to handle tasks with a tap of their fingers. "Having access to request time off, submit time or see your schedule on a mobile device ... that's where technology can really stabilize and make an organization more effective," he said.

All of these go a long way toward improving the resilience of HR and financial functions. "We look at resilience as a standard operating procedure," Elwell said. "Organizations are starting to rely more and more on the automation and workflow found in cloud-based systems to replace their manual processes."

In written comments, respondents said that better access to data and internet connectivity, especially in rural areas, would help make their agencies more resilient.

"Children and employees were unable to work and go to school from home because of these connectivity problems," a respondent wrote. "We need regulation that requires every internet and communication service to assure homes are connected."

Another recommended doing a dry run of all activities that will be done remotely to identify pain points before going remote, and another pointed to equity concerns, recommending that agencies invest in laptops, rather than desktops, that would allow for more mobility in a pinch.

"It's not just about crisis management. It's about how we do things every day," Elwell said. "We just can't go back to the way we operated before."

# How Workday Can Help

Workday supports the public sector by providing business continuity, workforce management, compliance and transparency – all crucial elements to agencies at any time, but especially during an emergency. The company helps agencies' resiliency by assessing how they operate and how they could improve.

Traditional ERP solutions are great the day they go live, but as things change, they get tougher to manage, and at some point, a costly upgrade becomes necessary, Elwell said. A SaaS solution such as Workday ensures that systems get constant technological and functional upgrades so they don't fall behind.

Additionally, Workday takes the data from HR, financial, payroll and recruiting systems and delivers insight from it, which is the real value and benefit to government organizations.

*"Delivering information, delivering analytics and delivering insights at the point that decisions are being made is really key, particularly as we're looking at what's going to be required of organizations to emerge stronger in this changing world," Elwell said.*

## Conclusion



To be sure, the coronavirus has tested society in every possible way. One positive development to emerge from the experience is the spotlight it put on IT. Government's ability to provide services seamlessly has never been more important, and our survey results show that public servants stepped up to ensure that critical management operations remained in place.

The survey also revealed room for improvement. For instance, government leaders must look at how COOP and disaster recovery plans account for long-term displacements – something legacy technology simply can't support.

One way to quickly support remote workers today and in the future is to implement cloud services. It offers the flexibility and scalability that government agencies need to shift operations quickly. Plus, it facilitates workers' ability to access applications and networks from wherever they are. For the HR and financial departments, replacing paper-based processes with digital documents and e-signatures sets the stage for modern operations not just in dire times, but all the time.



## About Workday

Workday is a leading provider of enterprise cloud applications for finance, HR, and planning. Founded in 2005, Workday delivers financial management, human capital management, and analytics applications designed for the world's largest companies, educational institutions, and government agencies.

Learn more: <https://www.workday.com/en-us/industries/government.html>



## About GovLoop

GovLoop's mission is to inspire public sector professionals by serving as the knowledge network for government. GovLoop connects more than 300,000 members, fostering cross-government collaboration, solving common problems and advancing government careers. GovLoop is headquartered in Washington, D.C., with a team of dedicated professionals who share a commitment to the public sector.

For more information about this report, please reach out to [info@govloop.com](mailto:info@govloop.com).

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