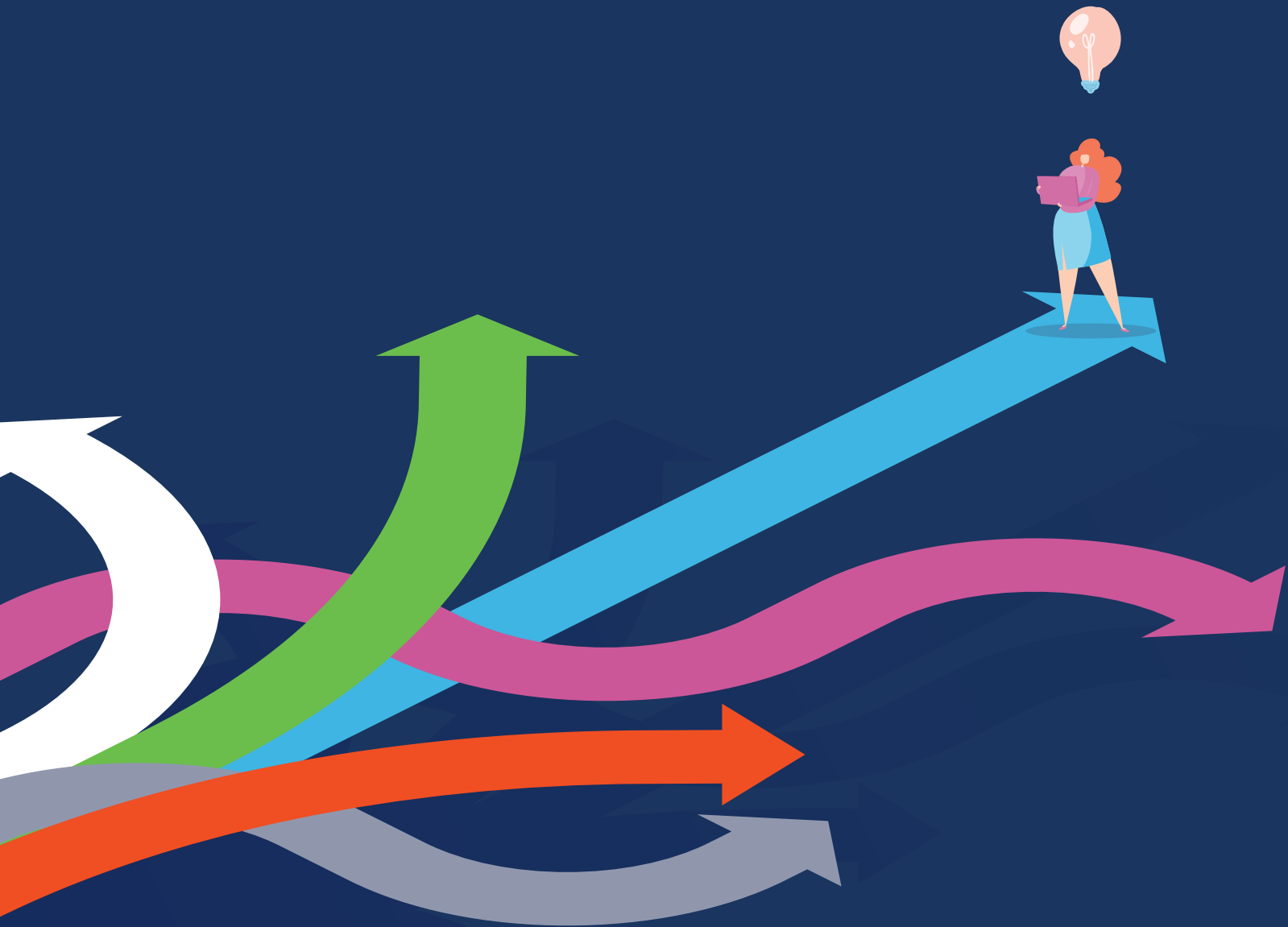


# The New Path Forward for HR Transformation



# Introduction

Human resources departments deserve appreciation. They're behind government retirement packages, health insurance, incentive-based awards and so much more during the good times. And in all situations, HR ensures that employees are represented.

Yet challenges are ahead for a 21st century government workforce that will cope with more competition and a wave of retirements.

In the private sector, HR is changing rapidly to accommodate modern business and cultural needs. Formalized and standard meetings are giving way to new forms of evaluation and review, and workforces are beginning to see real improvements in employee performance.

Some of the most impactful, important changes in human resources management, however, have been slower to trickle into the government workforce.

But this is changing. **Today, government realizes it needs an HR transformation, which requires the all-around revamping of the processes and technology in place that government uses to manage its human capital and resources.** As the "Silver Tsunami," or the generation of Baby Boomers that makes up a large part of workforces, makes its way to retirement and government needs to recruit a new crop of talent, the question must be asked: Are agencies ready?

Governments across the federal, state and local levels need a fundamental reconsideration of how they perform HR activities, both culturally and technologically. New systems and portals can be put into place to help HR departments develop and track progress on compliance, initiatives and goals.

In the following pages, we'll examine some of the most important areas for improvement, including compliance, performance management and project implementation. You'll hear from leaders in government HR about how they're making real-time changes to their operating model. Additionally, experts from Cornerstone, a leading talent management system provider and HR partner for government agencies, will explain what lessons the government can take from the private sector and how to go about HR transformation in large public sector organizations. Experts from Cornerstone spoke about the topic in a series of GovLoop webinars, which can be accessed [here](#).

# The Landscape of Government HR

Government workforces perform some of society's most important functions, from law enforcement and health services to building our nation's critical infrastructure and managing policies, and are full of employees dedicated to agency missions.

Unfortunately, government HR practices don't always recognize government employees for the important work they do toward public betterment. Because of poorly constructed performance evaluations, many HR departments use antiquated evaluation processes that fail to truly account for the value of employees.

"The public sector doesn't treat its workers as its biggest asset," Steve Dobberowsky, Senior Principal for Talent Management Thought Leadership at Cornerstone, [said](#). "That's a big differentiator between the public and private sectors."

Furthermore, some agencies fail to communicate the value of human capital, as the goals and expectations of managers and employees could critically differ from those of the government as a whole.

For government to truly succeed in its mission, it's imperative that the public sector workforce reflects the population makeup of America. And yet, while diversity has been a focus for the Office of Personnel Management (OPM) – currently the HR arm of the federal government – progress, particularly at executive levels, has been only incremental in recent years.

Friction between employees, managers and HR has truncated the progress of important initiatives. But it's

not the fault of any one party. Policies fail to provide the proper guidance for HR teams and office managers, and the federal workforce can suffer as a result.

Large enterprises can also be resistant to change – even when change is positive. That challenge exists in the federal workforce, where large-scale initiatives can be difficult to implement in smaller offices. Nonetheless, HR is responsible for implementing policies throughout, and these policies should be proactive when possible.

Employees in government expect the same professional benefits they hear about from the private sector: professional development, transparency, work-life balance, continuous education and clear opportunities to receive bonuses and pay raises. While mission drives the federal government, workers can be expected to tolerate only so much of a gap in pay and benefits before they bolt for the private sector.

"It's just wildly important to have great people," Craig Orgeron, Chief Information Officer of Mississippi, said in a January 2019 interview with GovLoop.

Lastly, the government needs a rebrand. How can HR departments work symbiotically with managers and be viewed as resources instead of enforcers? Also, how can the federal government redefine itself as a place to work and grow in the years going forward?

Answering these questions will be critical if the government is to excel in its missions and break free from overly bureaucratic processes in the 21st century.



# Stats & Statements



**65% of Senior Executive Service positions in the federal workforce belong to men.**



**37% of the federal workforce is made up of minorities.**



**45% of state and local governments experienced more retirements in 2018 than in the year before.**



**48% of federal agencies always have formal processes for evaluating employee improvement in targeted areas after training.**



**80% of IT spending in the federal government goes toward operation and maintenance costs.**

"We can not only look at the data, but we can begin to start seeing if the things that we're doing and that we're investing in, as it pertains to our human capital, are making a difference. And then if they're not, we could take a step back and then **ask ourselves why.**"

– Patience Ferguson, Chief Human Resources Officer, city of Minneapolis, in an interview with GovLoop

"Agencies have attempted to modernize systems but have been **stymied by a variety of factors**, including resource prioritization, ability to procure services quickly, and technical issues."

– GAO

"Do the organization's top leadership and line management support the proposed reshaping effort, to include any management-directed reassignments or reductions in force (RIF) that may occur? **The commitment of the agency's top leadership to the reshaping effort is critical to its overall success.**"

– OPM

"OPM's guidance and assistance to agencies on federal training investments are in line with a number of the leading practices, but improvements are needed in other areas some of which are problematic to agencies such as identifying the appropriate level of investment in training and development and prioritizing training activities. In addition, agencies and OPM reported that **there are opportunities for OPM to help reduce duplicative investments government-wide** by identifying existing training that can be provided centrally to all agencies."

– GAO

# 3 Challenges & Solutions for Government HR

In this section, we'll explore three of the biggest challenges for government HR and the broader strategies and solutions organizations can put into place to transform how they manage and assist their personnel.

## Challenge No. 1: Compliance and Diversity

The idea of compliance can scare people in government, much like the letters "H" and "R." In many minds, compliance is another mandate that gets in the way of their office getting its job done.

"Just because the buzzwords are out there a lot and people feel like they have a ton of required training to do each year, I'm always amazed at how many people still don't understand the importance," Traci DiMartini, Chief Human Capital Officer (CHCO) of the U.S. Peace Corps, said.

However, compliance shouldn't be something that plagues government offices. Instead, it should elevate them by ensuring that diverse and equal workforces can answer citizens' questions with a multiplicity of perspectives.

The government's workforce still does not represent America, and agencies need to make a concerted effort to ensure that merit wins out over biases. While the representation of women and minorities are at rates higher than those in private sector companies, large gaps still persist in positions of leadership.

In fiscal year 2016, white employees made up 64% of the federal workforce but 79% of Senior Executive Service positions, while black employees represented 18% of the federal workforce but only 11% of Senior Executive Service positions. The gap continued for women, who made up 43% of the federal workforce but only 35% of Senior Executive Service positions.

This isn't about quotas. How can the government ensure that agencies are diverse and representative, including the best ideas and perspectives, when many in government can think of compliance as a chore instead of an asset?

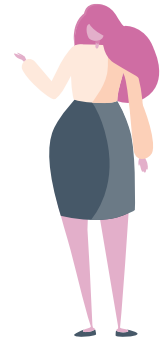
## Solution No. 1: Reconsidering Diversity Compliance as an 'Obligation'

Redefining compliance in the federal government means reconsidering how the workforce views diversity. With multigenerational offices that include all kinds of different identities – race, gender and sexual orientation, for example – diversity isn't always easy.

In fact, true diversity can be uncomfortable, and it's supposed to be, as people can have basic assumptions about themselves and others questioned. Dobberowsky gave the example that in a situation with two people of different ethnicities and backgrounds collaborating on a project, both sides might feel the need to more completely describe the reasoning behind their thinking – not assuming what the other side knows.

"In all likelihood, you would likely work harder on explaining your rationale and anticipating alternatives than you would have otherwise," Dobberowsky said. "This is how diversity works – by promoting hard work and creativity, by encouraging the consideration of alternatives even before any interpersonal interaction takes place."

**“We all don’t have to like or believe the same things. The bottom line is treating people with respect.”** – Traci DiMartini, Chief Human Capital Officer (CHCO), U.S. Peace Corps



Diversity sometimes causes uncomfortable conversations, but these are necessary for the internal and professional growth of employees. To truly progress as an agency, the importance and challenges of diversity need to be addressed head-on. This is what compliance should look like.

The solutions proposed by most current government HR systems don’t help organizations when diversity trainings try to skirt substantive issues. As it currently stands, diversity training can come across as preachy, abstract and even divisive, while compliance training often is very legalistic, patronizing and dry, Dobberowsky said.

**Instead, government HR needs to focus on four main categories: unconscious biases, bystander intervention, empowering employees and building trust within teams.**

- **Unconscious biases:** Unconscious biases often can be the hardest to point out but the most harmful in office environments, affecting promotions and rewards for job performance. By encouraging everybody to accept and contemplate their biases, HR departments can make strides in ensuring merit-based work systems of reward and punishment.
- **Bystander intervention:** In diverse offices, there will be tense moments. But how should people respond?

Emphasizing bystander intervention in offices is critical to preventing these situations from escalating. Bystander intervention can mean just dropping a cup of water to diffuse a difficult situation or actively stepping up and confronting assertions.

- **Empowering employees:** Government organizations, more so than others, are hierarchical. But while strong leadership is crucial in the public sector, governments need to allow for opportunities to democratize thought ownership. By implementing open-door policies and creative, constructive team environments, governments can position employees to make an impact and excel, even when they don’t carry authority in an organization.
- **Building trust within teams:** Conversations between managers and subordinates shouldn’t seem like stand-offs. To avoid well-intentioned employees feeling attacked or impugned in HR interactions, offices need to be built with trust and chiefly support the well-being of employees. In these cases, important conversations won’t have biased undertones attached, but they can be accurate discussions of business and nothing more. For managers, simply saying hi to all employees on a daily basis is important to fostering a positive office culture.

## Challenge No. 2: A Failure to Improve and Understand Employee Performance

Performance management in government can follow arbitrary, old and outdated protocols. Yearly performance reviews that determine whether an employee is worthy of a raise rarely ever measure the true value of contributions, and going down a checklist of job descriptions and organizational goals can fail to differentiate high performers from the rest of the pack.

Government also has low performers, who can slow down the rest of the office, and have traditionally been difficult to demote or remove from service. For a merit-based government, how can agencies to be sure

to reward – and hopefully in the long term, retain – their top producers and improve the general workforce?

A lack of opportunities for professional advancement has capped the growth potential of government employees, and organizational goals are often misaligned with employees’ personal goals. Governments need ways to measure the value employees add when it comes to considering promotions and pay raises, as opposed to going through checklists.

Solutions exist in innovative performance management, but governments can often be mired in their ways of doing things. To recruit the next generation and retain valuable employees, however, government needs to restructure its performance management.

## Solution No. 2: Tools and Procedures to Evaluate

New HR management portals can track the status of employees and their goals to quantify and count accomplishments, helping to highlight the overachievers and identify underperformers. But technology alone won't transform personnel management if policies and procedures aren't updated as well.

Governments can often think of private sector approaches to HR as inapplicable and immediately discredit them, said Dr. Tom Tonkin, Principal, Thought Leadership & Advisory Service at Cornerstone. But claiming new ideas won't work in government fails to acknowledge that existing approaches aren't working either. Governments need to be aware of the approaches of the private sector, in fact, so that they can respond to, and to the best of their abilities match, the benefits that these organizations provide.

"We have to take steps to make this a place people want to work. This idea of people wanting to stay in the public sector just to want to serve their country isn't enough to keep you in the public sector," Dobberowsky said.

Additionally, governments often lack measurables to ensure that individuals can be evaluated on their merits and personal responsibilities. As is often the case, this leaves managers and HR backpedaling to try to respond to the events of a year with one performance review. Regular discussions need to occur, and HR needs to support them with modern systems that offer employee insights and career paths, including information about job mobility and potential for growth, to notify employees of what they should do going forward and give them an expected sense of their place in an organization.

**"The fact that people leave an organization – whatever the flavor of the organization might be – is based on the fact that they're not being developed. That's No. 1, top of the charts."**

– Dr. Tom Tonkin, Principal, Thought Leadership & Advisory Service, Cornerstone OnDemand

Agencies need to individualize employees, and be able to align their goals and needs with those of the general organization. Employees who meet, but never exceed, the expectations of their jobs should be compensated fairly. But high performers who engage in altruistic behaviors, and those who go outside of job responsibilities to help others and the organization as a whole, should be rewarded.

That depends on finding high performers in the first place, which requires having the right measuring sticks and metrics in place. While governments have typically been able to evaluate job performance, they have not been able to account for the other valuable resources an employee may bring to a team.

Agencies need the right solutions to evaluate employees' overall contributions to the mission, outside of what their formal job responsibilities say and how the team produces as a whole. With a holistic performance management platform in place, managers can evaluate the value employees provide, priming them for advancements and growth, while offering training to improve their performance. On these platforms, insights are clear, and organizations can take steps going forward to answer the findings with new trainings or initiatives.

### Organizations should remember these five techniques:

1. **Incorporate** successful initiatives from the private sector into the public sector;
2. **Implement** systems to gain insight into employee growth;
3. **Align** employee goals with the organizational mission;
4. **Holistically evaluate** employees' behavior in their job for compensation and performance management; and
5. **Set up** clear processes for identifying and rewarding high performers.



## Challenge No. 3: Adjusting to Big Changes Coming to Workforces

How government employees perform their jobs is changing rapidly, with new technologies coming into the workplace. Workforces can struggle to adjust to unfamiliar new processes and technologies, and it's up to agencies to assist their growth. As a result, hiring, training and personnel management look nothing like they used to, and HR departments need effective implementations to meet the needs of employees.

Government HR initiatives are responsible for ensuring employees have all of the tools they need to make the best of changing offices and technologies, but departments can often struggle to find strategies and solutions that work across the board.

Change is also coming to offices by way of retirements and replacements, and the public sector needs to brace for a new generation of employees. HR initiatives need to match these difficulties, and departments need to know where they stand when it comes to their workforces.

The right technology will enable HR to evaluate the successes and failures of programs like never before, but government organizations must have the structures and systems in place before they can incorporate it. Many are not prepared for these new systems or initiatives, and HR needs to build out comprehensive plans and capabilities for welcoming, training and transforming government offices.

### Solution No. 3: Pairing Modern Technology and People-Centric Policies

Across government, agencies are bracing for waves of hiring and reskilling to fill gaps in the workforce. To respond to the drastic realignment that has to take

place, successful HR departments are embarking on thorough initiatives that combine socialization and advanced HR technology solutions to prepare the workforce for what's next.

With modern-day employee management portals and statistics, HR departments can track where employees are lacking or advanced in organizational and personal skills, and systems can evaluate trends. By actively following along with metrics and trends, HR can combine institutional knowledge with statistics to envision a clear image of how offices operate.

From there, HR can prioritize initiatives and share the results with management, allowing offices to establish clear priorities and areas for improvement.

Using this knowledge, HR departments can assign training and reskilling programs from learning systems directly to employees. Learning and development programs can establish potential candidates for promotion and reassignment to positions of need. Federal, state and local workforces are in dire need of reskilling and online and individualized development, which allow governments to save on expenses and create personalized development experiences for employees.

Developmental needs cover both technical and soft skills. Some office personnel might lack emotional intelligence or empathy more than others, for example, while others need help using new technologies in their office. By launching effective development initiatives, HR can tackle these challenges before they become an issue.

Emerging capabilities go into modern HR technology systems. Robotic process automation can be used to submit reports and analyze results of trainings and tests, while artificial intelligence can define areas of



**“We didn’t want to just transform our software and processes. We also needed to enhance the capabilities of our HR staff in that process so that they add new and different value. The world has changed, and we need to keep up with that.”**

– Britni Saunders, Director, Indiana State Personnel Department



need for employees and offices. While these features are gigantic steps forward for agencies, they don't replace the need for regular interoffice visits and communication from HR staff.

For HR departments that find themselves short-staffed or cash-strapped, shared services can address large-scale problems across many different offices. By rolling out shared services, governments can maximize their resources and employees' time.



## Case Studies

The **Office of Personnel Management** (OPM) has launched the Federal HR Institute to train HR professionals and implement initiatives across federal agencies. The institute provides classes to HR employees throughout the expansive federal government framework and is designed to standardize HR practices, ensuring that implementation is consistent and in alignment with governmentwide goals.

"The way in which [HR] training happens has changed so much in the last 15 to 20 years because of technology," said Meg Gavin Bowman, Project Manager at OPM.

Digital tools, in addition to regular organizational in-person checks, can help prepare the federal HR workforce to identify common challenges and field solutions. Trainings occur across a variety of fields of interest, including helping HR in hiring, staffing and workforce planning.

In **Indiana**, the state Personnel Department has gone to shared services to incorporate trainings and solutions for modernizing its HR management, Director Britni Saunders said.

### In conclusion, every HR department should:

- **Look** to modern HR portals and management systems to evaluate workforces;
- **Prepare** new, broad initiatives to equip government for the many changes it faces;
- **Make** the most of emerging technologies in these systems to assign trainings and measure growth, or lack thereof; and
- **Emphasize** the interpersonal elements of transitions, such as site visits and regular check-ins.



"Shared services for us primarily means having a centralized group of HR experts in different functions that provide services to all of the business units within the executive branch," Saunders said. "We're able to be nimble and, quite literally, share those services at some level to cover all the different changing needs at any given time."

Modern tools like robotic process automation, machine learning and artificial intelligence can be used to analyze data and make informed decisions about human capital. They can even analyze social media pages and job boards to evaluate the public perception of government as a place to work.

Both the Indiana State Personnel Department and OPM have leveraged Cornerstone OnDemand solutions. Cornerstone offers a learning and development platform to train employees on a variety of different programs and track their implementation and progress. The insights gained from these courses can help governments tailor and reframe how they address HR management going forward.

# How Cornerstone Helps

Cornerstone offers a unified talent management suite of solutions so that government agencies can modernize personnel management – recruiting, onboarding, training and development – across all corners of the public sector.

Cornerstone's unified talent management system makes it:

- **Simple for organizations** to identify desired skills and then hire those candidates who will drive innovation and productivity.
- **Easy for managers** to monitor their employees' development to ensure alignment with their organization's mission.
- **Transparent for employees** so they can better understand their performance evaluations and know where they're strong and where they need to improve.

Cornerstone enables organizations to drive a strategic culture and minimize compliance risk across their ecosystems. Powered by dynamic group assignments, a modern user experience, ready-to-deliver content, and robust reporting, Cornerstone is designed to reduce the administrative burden and ensure that employees are given a tailored training experience in which they will want to engage.

"The system is designed to help you equip and engage every employee across the organization – to focus on the key skills needed across every industry and job role, to quickly connect your people with today's most desired skills, and to build better communicators, stronger leaders, and higher functioning teams," said Dobberowsky.

With Cornerstone, managers can work with employees to build development plans, and machine learning can be used to recommend relevant training. Managers and employees can monitor progress, hold continuous conversations, and use feedback within the system to align on goals and progress. Cornerstone dashboards can track metrics and performance in real time, helping HR departments to prioritize and implement planning, training and hiring initiatives that will maximize workforce improvements. These views can be used to identify top performers, address risks, create succession plans, and use benchmark comparisons of internal groups – or industry standards – to ensure that you stay competitive in the battle for top talent.

In short, Cornerstone's solutions not only help agencies right now, but also prepare them for what's next.

# Conclusion

Antiquated processes and systems can get in the way of government's most valuable asset: its workforce.

A transformation of existing HR is in order, both in the ways that government considers employees and in the IT systems it uses to manage personnel. As government struggles to recruit, reskill and improve, an HR transformation can fix challenges in talent management, diversity and technology.

Those same challenges can become solutions to government's most pressing difficulties going forward. Enabled by HR transformation, diversity can offer government new perspectives and produce the best ideas, talent management can identify and elevate high performers and technology can allow for comprehensive, detailed workforce evaluation.

With these tools, government can lead the way in being a workforce by the people, of the people and for the people.



## About Cornerstone

Cornerstone OnDemand (NASDAQ: CSOD) is pioneering solutions to help organizations realize the potential of the modern workforce. As a global leader in cloud-based learning and human capital management software, Cornerstone is designed to enable a lifetime of learning and development that is fundamental to the growth of employees and organizations. From recruitment, onboarding, training and collaboration, to performance management, compensation, succession planning, people administration and analytics, Cornerstone is there at every phase of the employee lifecycle. Cornerstone is a single, unified solution that is completely configurable to meet the talent strategy, compliance, business and workflow needs of an organization. Cornerstone works with corporations of all sizes, government agencies, hospitals, nonprofits and schools. Our software and services are used by more than 3,250 clients worldwide, spanning more than 36 million users across 192 countries and 43 languages. For more information, visit [www.cornerstoneondemand.com/federal-government](http://www.cornerstoneondemand.com/federal-government).



## About GovLoop

GovLoop's mission is to "connect government to improve government." We aim 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 connect and improve government.

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