Talent acquisition for the government of the future

Government & Public Sector Insights

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The "government of the future" requires the right talent in middle and upper management to drive effective decision-making and lead the execution of new service delivery models. As the needs of government change, talent acquisition must step up to meet them. First, digital is disrupting governments worldwide as public sector organizations work to adapt to a digital model, including "smart" infrastructure, e-government services, open government, and new cybersecurity and privacy challenges. Having people with the required knowledge is essential to making the transition. Second, young people are a shrinking proportion of public sector talent. With a wave of retirements coming, it is time to replenish the talent pool.

Acquiring, developing and retaining the right talent are crucial elements of an effective public sector talent management strategy. The front end – talent acquisition – is particularly important because governments must compete with the private sector for top talent, sometimes at a disadvantage. To succeed, public sector organizations must transition from reactive to proactive recruitment. That means refocusing on digital and social platforms to drive the quest for in-demand talent, including in technology, data and analytics.

Missing out on talent poses a significant risk for governments

Skill surveys, including for several major governments, point to a sizable gap in digital talent, highlighting problems with recruiting. In 2015, the U.S. Government Accountability Office (GAO) identified skills shortages in various government occupations: cybersecurity, information technology, economists, scientists and engineers, as well as contract and acquisition specialists, human resources specialists and accountants.[1] That same year, the UK Civil Service recognized skills gaps in digital leadership, cybersecurity, data analytics, digital forensics, digital program and change management, and agile delivery.[2] The Australian Government has also acknowledged a shortage of data skills, releasing a data capabilities framework in 2016 to drive its preparations for a digital future.

Furthermore, the public sector workforce is aging, and employment surveys indicate that governments are not attracting young talent to civil service. Many agencies globally report a glaring "generation gap." A UK Civil Service agency said the proportion of its workers in their 20s dropped from 14% to 9% over four years, while those aged 50 to 59 rose from 26% to 31%.[3] By failing to attract young talent, governments have a weak pipeline for filling positions that will soon be vacated by retiring civil servants, and they lack access to young workers trained in new technologies.

The cost of skill shortages is high. The GAO report showed that insufficient telecommunications knowledge across government agencies led to delays and cost overruns of 44% when those agencies transitioned to new technology platforms.[4] In the UK, the National Audit Office cites the risk of unsustainable cost reduction or service deterioration if the government cannot transform its digital skill sets by 2020.[5]

1. "Federal Workforce: OPM and Agencies Need to Strengthen Efforts to Identify and Close Mission-Critical Skills Gaps," U.S. Government Accountability Office, 2015.
2. "The digital skills gap in government," UK National Audit Office, 2015.
3. "Central government staff costs," UK National Audit Office, 2015.
4. "Federal Workforce: OPM and Agencies Need to Strengthen Efforts to Identify and Close Mission-Critical Skills Gaps," U.S. Government Accountability Office, 2015.
5. "The digital skills gap in government," UK National Audit Office, 2015.

Governments are on the back foot in the race for needed talent

The gaps in digitally savvy and young talent highlight a critical need for governments to attract an unprecedented amount of skill and experience from outside their organizations. However, competitiveness is a roadblock in recruiting the digital talent, young talent and, in particular, young specialized talent (such as data scientists) required for the "government of the future."

Key business drivers and widespread demand for these competencies are fueling intense competition. LinkedIn data on hiring and recruiting activity (2015) shows that government and the private sector are competing for the same talent. The most in-demand skills in 2015 were cloud and distributed computing, along with data storage, retrieval and analysis. Mobile development, network and information security, and user interface also ranked high, further reflecting the importance of technical and data skills to organizational efficiency, including for governments.

In this competitive environment, governments are lagging in talent acquisition. In a UK Civil Service survey, 78% of respondents indicated that demand, scarcity and competition pose major challenges to recruiting to fill skills gaps.[7] In the US, the Federal Employee Viewpoint Survey indicates that the proportion of agencies reporting that their work unit is "able to recruit people with the right skills" is 43% for "mission critical" occupations. US agencies report 800 funded positions open for at least 90 days for systems engineers and other science, technology, engineering and math (STEM) roles, with open and unfilled opportunities in cybersecurity as well.[8] Such results underline that attracting young talent, particularly with in-demand digital skills, is a significant pain point for governments. For example, millennials make up just 12% of US federal employees in "mission critical" roles and just 10% of all federal STEM employees.

In-demand skills, 2016

#	Skill	Change		#	Skill	Change
1	Cloud and distributed computing	↔ 0		6	Network and information security	↑ +1
2	Statistical analysis and data mining	↔ 0		7	Mobile development	↓ -1
3	Web architecture and development framework	↑ +6		8	Data presentation	↑ NR
4	Middleware and integration software	↑ +1		9	SEO/SEM[6] marketing	↓ -5
5	User interface design	↑ +5		10	Storage systems and management	↓ -2

*NR (Not recorded in 2015)

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6. Search engine optimization/search engine marketing.
7. "The digital skills gap in government," UK National Audit Office, 2015.
8. Yi Xue and Richard Larson, "STEM crisis or STEM surplus? Yes and Yes," U.S. Bureau of Labor Statistics, 2015.
   "Assessing the need for consultants and temporary staff," UK Parliament, 2015.

To compete, governments must transform their approach to talent acquisition

Clearly, the face of in-demand talent in the public sector is changing to those with a digital skill set, to young people and, in particular, to young talent with a digital or data specialization. To match these needs, governments must transform their approach to talent acquisition by speaking to the audience they want to attract – the young and the digitally savvy.

To revamp talent acquisition, governments can reframe their value proposition ...

The value proposition for recruiting today's top talent should emphasize skill development and purpose at work. In this market, the employer-employee relationship is impermanent and is instead focused on an alliance between both parties for a common purpose. Gone are the days of long-term tenure and retirement benefits. Instead, entrepreneurship and adaptability are now critical to growing a career. For the public sector, that means focusing the talent acquisition strategy on mutual value creation rather than long-standing loyalty. Employees invest in the organization's adaptability, and the organization invests in the employee's employability. The public sector should explore reframing recruitment to hire talent for specific, impermanent "tour of duty" jobs, encouraging employees to build networks outside the government organization and creating active alumni networks.
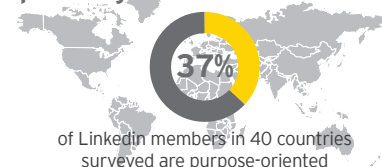
The value proposition can also center on purpose, with a public sector career promising an opportunity to make a difference and work on impactful projects. This message resonates with in-demand talent and can be a crucial differentiator for government. LinkedIn research shows that this message is effective with millennials, that 30% of the workforce is purpose-driven and that purpose-driven candidates are highly productive performers who stay in an organization longer.[9] Furthermore, the US Federal Employee Values Survey shows that 90% of employees surveyed *"say that the work they do is important."* Similarly, in the UK, the Cabinet Office estimates that "interesting and demanding roles on offer in the public sector" are a key driver for recruitment, and also work to overcome pay differentials with the private sector.[10]

... and transition to a digital, social talent acquisition strategy
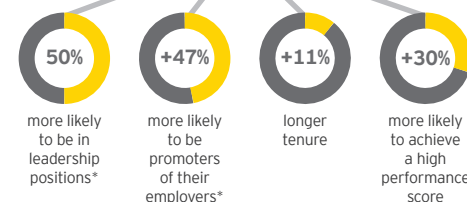
Transforming talent acquisition is also about approach, with a switch to a digitally driven strategy and digital platforms. The LinkedIn Global Recruiting Trends Survey (2016) shows that recruiting top talent is a social strategy and highlights the importance of relationships. Among 4,000 respondents, social professional networks ranked first as the key source of quality hires, besting internet job boards (second) and employee referral programs (third). Employer investment in brand is also making a resurgence and is now cited as a key element in effective recruiting.

This is telling because it reflects the changing pool of in-demand talent as much as the availability of new media to drive recruitment. By and large, millennials possess the sought-after skills, so the way top talent in this generation looks for work is a vital consideration. US survey data suggests that 60% of millennials apply directly to a company when searching for a job. That is significantly ahead of the 45% who search through a networking or recruiting event and 42% who use their campus career services. Thus, the "pull factor" of a social and digital talent acquisition strategy – through both brand and relationships – is crucial.

9. "Purpose at Work," LinkedIn, 2016.
10. "Assessing the need for consultants and temporary staff," UK Parliament, 2015.

Purpose is global

37% of LinkedIn members in 40 countries surveyed are purpose-oriented

Purpose-oriented companies have better talent outcomes

Awareness — Higher profile
3.5x more career page followers per employee

+27% higher InMail acceptance rate
Attraction — More sought-after

Application — Drive applications
+29% average apply clicks for LinkedIn jobs

+10% impacted hires
Hiring — More hires

Engagement — Deeper engagement
+24% employees promoted company-relevant content

Performance
Purpose-oriented talent perform better

50% more likely to be in leadership positions*

+47% more likely to be promoters of their employers*

+11% longer tenure

+30% more likely to achieve a high performance score

*Imperative 2015 Workforce Purpose Index

Purpose brings satisfaction

73% of purpose-oriented people are satisfied in their jobs

Compared with **64%** who are not purpose-oriented

Purpose-oriented professionals are in every industry

Five most purpose-oriented job functions		Five least purpose-oriented job functions	
Community and social services	54%	Operations	31%
Entrepreneurship	51%	Support	31%
Education	49%	Finance	31%
Healthcare Services	43%	Purchasing	30%
Research	41%	Accounting	25%
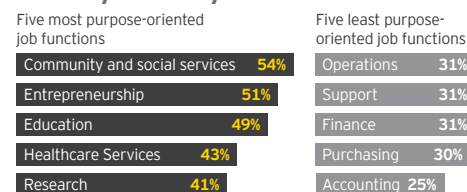
Top three factors that entice purpose-oriented people to accept a new job

| Culture and values | Mission and vision | Products and services |

Source: LinkedIn

Four elements of talent acquisition for the 'government of the future'

For governments to secure necessary talent, we recommend a four-part action plan. Through these steps, governments can transition to a digital, social and analytics-focused approach and compete effectively for the right candidates.

1. Use social platforms to build your brand and consistently communicate your value proposition

Compared with more conventional recruiting, transitioning talent acquisition to social platforms is an obvious and immediate win in cost reduction, reach and transparency. Governments can widen the pool of available talent by communicating at scale, including connecting with "passive" candidates who are not actively looking for a new role but could still be considered for a viable position.

Social-led digital recruitment also presents an opportunity to develop a personalized connection with potential candidates. Governments can create a dialogue with top talent focused on purpose at work. Through direct communication and discussion with young candidates and digital specialists, governments can build a brand focused on career opportunities with social purpose and the ability to "make a difference." This is a huge differentiator for the public sector and should be amplified in the strategy.

Governments can use tailored digital communications to consolidate their brand in diversity and flexibility. This will help convey a crucial message – that government is a desirable place to work – to younger workers or those from a tech or digital background who are accustomed to an entrepreneurial organizational structure. This brand strategy can also promote gender diversity, a key consideration given that women are significantly underrepresented in senior public sector leadership. Communication tailored to in-demand female talent could include, for example, clear messaging on the flexible work culture and career options that promote work-life balance.

Gender diversity in public sector talent acquisition

EY research shows that diversity is crucial to combating the challenges faced by the public sector. In our 2016 survey of public sector leaders, 96% of respondents indicated they believe diversity of thought and experience will be key to navigating public sector change.

96%

55%

Despite valuing diversity, many public sector organizations are not addressing the gender gap in a way that will deliver the needed change. Fifty-five percent of respondents agree that women are the single most-underutilized pool of talent in the public sector today.

For more, see the EY report "Think governments are achieving gender diversity in the workforce? Think again"

2. Use data analytics to stay ahead of talent needs

Through data analytics, public sector organizations can assess and anticipate demand for certain skills. This should be a collaborative effort by senior leadership, department leaders and human resources. One possible form is a thorough workforce assessment that examines talent, gaps, intersections and threats, then links talent data to market and economic information so government entities can anticipate future needs and shortages. It could include the use of data mapping tools to

better see the ecosystem of available talent. Government and public sector organizations can use this information to plan for the future, including connecting with relevant talent early.

Digital social channels are an important asset not just for executing talent strategy but also for generating information. For example, the LinkedIn Economic Graph details labor trends in certain geographies and skill sets. Granular and near-real-time data on talent acquisition activity, as well as the effectiveness of social campaigns, enables efficient and active pursuit of much-needed talent.

Government and public sector organizations need to embed these new analytics in decision-making frameworks. The ability to connect market and economic information with internal strategy and projections, including through predictive analytics, provides a powerful platform for talent planning and for wider budget and resourcing decisions. This new data and these new test cases should be incorporated into planning and performance metrics at the leadership level and within human resources.

3. Elevate and expand talent acquisition skills in government

The burning need for young, in-demand talent points to an elevated role for talent acquisition in government. Talent acquisition would become a strategic priority at the level of organizational leadership, giving it executive sponsorship, while ownership of strategy would sit with human resources.

The rising importance of social talent acquisition strategies can be a conduit for governments to reposition recruitment in their organizations and revamp recruitment skills far and wide. The social nature of recruitment means that everyone, at all levels, is the "face" of the company and can play a proactive role in acquiring talent. Governments should train existing employees to strengthen this function. In particular, mid- and senior-level managers can be advocates for their organization in digital channels. Executives must also be present in the social dialogue, with clear messaging to candidates and the relevant skills to manage their role.

4. Test, measure, refine, repeat

Social talent acquisition runs on a fast feedback loop in a noisy environment. Organizations must keep sight of long-term objectives and work within a formal monitoring, evaluation and investment framework. This requires solid investment in testing, measuring and refining strategies. Human resources departments should start building credentials and metrics in relevant digital social circles — for example, by testing and refining carefully researched campaigns targeting specific groups; developing curated and engaging content; and publishing material tailored to target communities. At the same time, agencies should develop specific criteria for monitoring and reporting on skills gaps and on the "fit" of candidates acquired through social channels, including individual action plans, targets and outcome metrics. The metrics must be tracked consistently, such as in regular reporting dashboards within human resources and for department leadership.

Taking action on talent acquisition: immediate steps to kick-start transformation

Ask

- ▸ What is our value proposition in the market, and where are there gaps between our objectives and how top talent sees our organization?
- ▸ Where are the "mission critical" skills gaps in our workforce?
- ▸ Does our organizational structure champion talent acquisition?
- ▸ How can we learn from new talent acquisition strategies?

Act

- ▸ Assess your value proposition through surveys or crowdsourced feedback from in-demand talent
- ▸ Use data analytics to assess and predict skills gaps, reflecting organizational strategy, macroeconomic trends and citizen feedback
- ▸ Partner with human resources to critically review talent acquisition in your organization, including ownership and training at all levels
- ▸ Establish a formal mechanism for collecting, analyzing and sharing data-driven insights from new strategies across the organization (including with leadership for organizational strategy and service delivery, and with mid-level management for program management

This insights report is the first collaboration between EY Global Government & Public Sector (GPS) and LinkedIn. It follows the newly established strategic alliance between EY and LinkedIn, with a foundation in social understanding and data and insight analytics. In the spirit of the alliance, this report combines behavioral insights from the LinkedIn platform and diverse perspectives from EY Global GPS networks.

About EY Global Government & Public Sector

At EY, we have global experience and advisory capabilities in talent attraction, workforce planning, organizational design, restructuring and lean programs, and change management for government and public sector clients. EY is the most globally integrated professional services organization − in our mindset, actions and structure. We recognize the unequivocal importance of talent and are growing a practice built on new insights and integrated services for governments and public sector organizations around the world.

About LinkedIn

LinkedIn is the largest professional network in the world. With 467 million members (in the first quarter of 2016), it has seen consistent double-digit growth in membership in recent years and is forecast to reach about 700 million by 2022. The network offers insights on trends in the global workforce to many of the world's major employers.

Social media management	HR function management	Organizational design
EY Advisory's customer services help manage the client's social media function, usually as part of services designed to improve performance in marketing.	EY People Advisory Services (PAS) assists the client with HR business process outsourcing, HR function performance, HR function strategy and design, HR information systems, HR process efficiency and standardization, and HR shared services and global business services design and implementation.	PAS can help create the right type of organizational design for the long-term health of an organization. Services include operating model design reviews, as-is process and accountability mapping, standardization capability and capacity assessments, and implementation.

Strategic workforce planning	Talent management and leadership development	Mobility processes
PAS can help organizations develop the right capability and capacity. Services include workforce analytics, workforce modeling, workforce planning and deployment, and workforce strategy.	PAS can help enhance workforce performance. Services include conducting as-is culture diagnostics; designing future state culture blueprints; developing talent management approaches and frameworks; assessing as-is competencies; building leadership development programs and performance management approaches; and developing and implementing diversity and inclusiveness strategies.	Global Mobility Policy Advisory within PAS can help develop and implement international assignment and tax policies.

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