

NOVEMBER 20, 2023

THE FUTURE OF PEOPLE MANAGEMENT

HOW ARE PUBLIC SECTOR AUDIT ORGANIZATIONS MANAGING THEIR PEOPLE IN A POST PANDEMIC WORLD?

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As a result of the COVID-19 pandemic, audit organizations in the public sector have accelerated their modernization of people management practices at a pace far faster than before the pandemic. They face new challenges related to flexible work, recruitment, retention and people management. While the impact of the pandemic continues to ensue globally, public sector audit organizations have begun to adapt while managing their people in a post pandemic world.

The pandemic made it necessary for audit organizations in the public sector to pivot to working remotely, and we are now seeing changes again as teams work to come back to traditional in-person work. Despite this return, it is unlikely that everybody will be returning to the office full-time. Remote work is here to stay, and many audit organizations in the public sector have adopted a hybrid approach to become increasingly agile and retain their key talent.

The Government Internal Auditors Council of Canada (GIACC) has partnered with KPMG LLP to perform an environmental scan on the future of people management and how public sector audit organizations are managing their people in a post pandemic world. This should support public sector audit leaders in the management of their unique workforce. We must recognize that audit functions are different than many other functions within an organization given the project and cyclical nature of their work, creating a need for a customized approach to workforce management. The article below highlights insights across different domains that support the new ways of working.

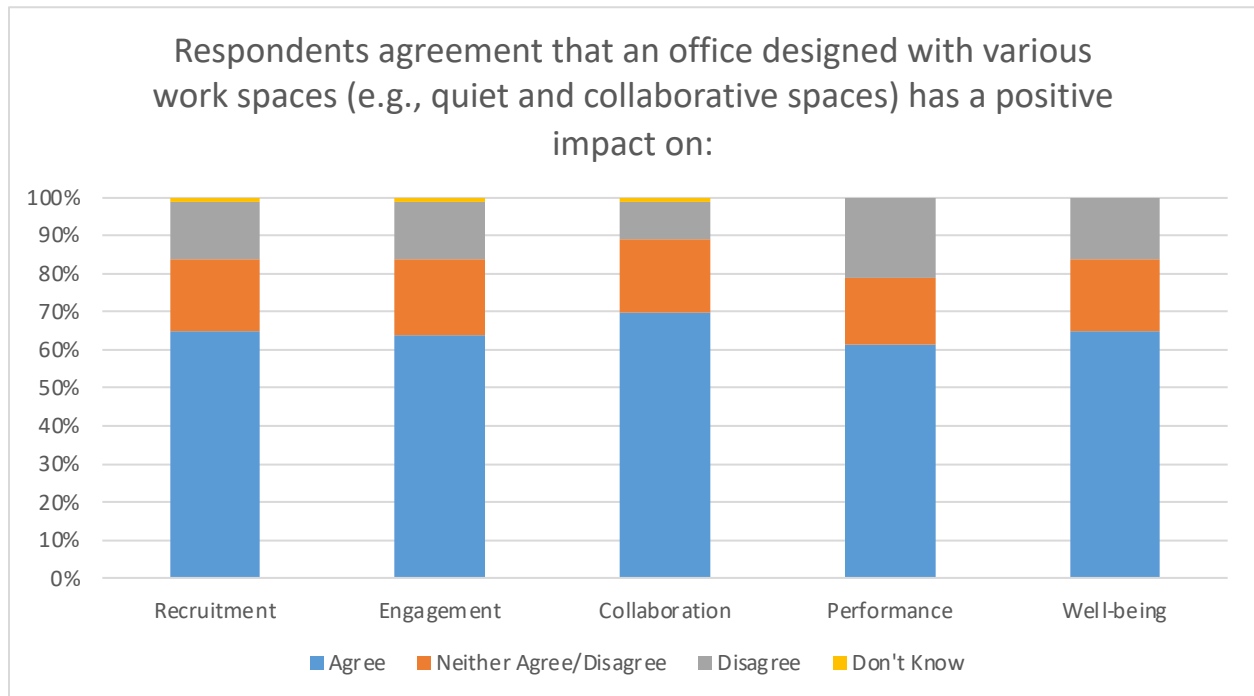
FLEXIBLE WORK

Prior to the pandemic, the traditional provision of employee flexibility for many organizations often included accommodating around individual employee events such as illness or childcare, or by offering the opportunity to work boundaryless. The second option of boundaryless work, consisting of employees working remotely from anywhere they pleased, became very popular in response to the pandemic across many organizations¹.

With these options comes increased reliance on technology to enable the flexibility that was required and is now desired across much of the workforce. Technology has played an important role in building flexibility in the workplace. As a result, it has become important to have the right tools in place. These tools include digital platforms used to conduct audit work, communicate amongst team members and clients, facilitate professional development, and the organization of schedules. It is also vital that, under the context of a hybrid model with boundaryless working, the employer leverage such digital platforms in a means that is both accessible and well-maintained².

As time progresses, we are seeing an increase in the use of hybrid models as opposed to teams working primarily remotely. In such cases, it is important to find the balance between working in person and virtually. As a result, a demand for employees to return to work should be accommodated with purpose in order to uphold flexibility. In other words, employers should focus on creating a fulfilling experience within their office design. For

example, designing offices that foster human connection and hospitality for employees. Such designs invoke a positive association with coming to office for employees³.



While the hybrid environment has many benefits, it requires a different skillset of our managers to be able to manage and oversee the team in a hybrid environment. When managing remote audit teams, it's important to teach managers how to lead in a hybrid environment by addressing key management practices, encouraging outcome-based measurements to assess performance, and focusing on performance for employees working both remotely, and in the office. Activities to support effective hybrid management may include:

- Assigning a mentor or “buddy” to new hires to help them get acclimated.
- Offering leadership training to managers on how to be nimble, innovative, collaborative and manage productivity.
- Developing and implementing comprehensive hybrid work policies that outline expectations and working hours.

- Conducting staff surveys to understand and identify employee satisfaction levels, workplace culture, and gather feedback.

RETENTION

A hybrid work model offers employees a better work-life balance, where individuals are able to manage things that may arise in their personal lives, such as a last-minute appointment or dropping off/picking up children at daycare or school. Having that balance leads to a more motivated, engaged, and satisfied workforce, which leads to reduced absence rates and increased productivity⁴. In the public sector, it has been recognized that a hybrid model is attractive to staff, and will help public service organizations to:

1. Improve work-life balance and wellness
2. Increase diversity and regional representation
3. Broaden access to needed skills and capabilities
4. Support the Greening Government Strategy, particularly by reducing greenhouse gas emissions, water use and waste⁵

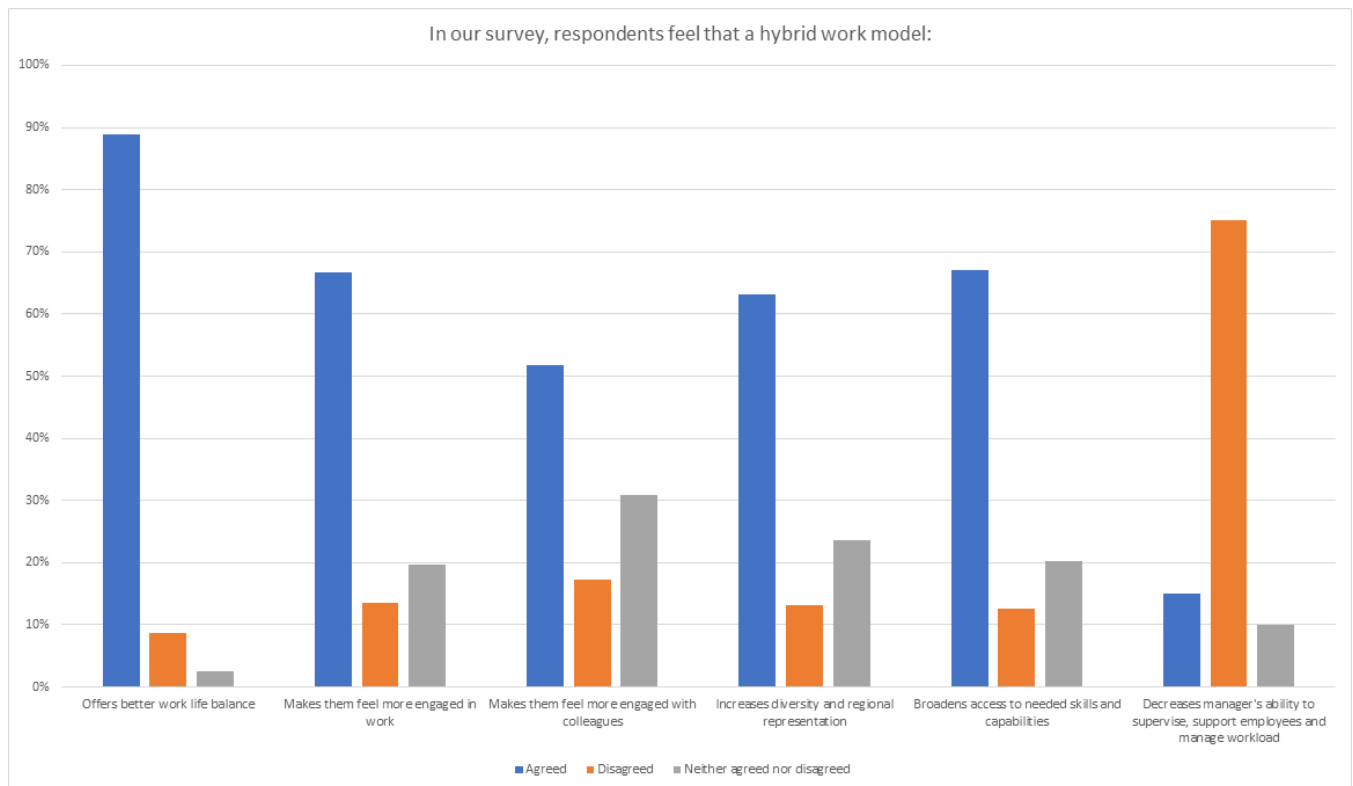
Such arrangements may include fully remote work, hybrid work, in-person work with location options, compressed work schedules or other arrangements.

Regardless of the arrangement, ensuring retention and engagement of the employees is critical. Based on leading practices and research findings⁶, some of the most effective retention strategies for remote and hybrid employees include:

- Communicating clearly and frequently
- Offering flexibility and autonomy

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- Providing learning and development opportunities
- Building a strong culture and community
- Supporting their well-being and work-life balance
- Soliciting their feedback and input



While working from home comes with many benefits, this is not always the easiest option for everyone. Some challenges employees may face can include:

- Living in a small home with no dedicated / suitable workspace
- Lack of access to high-speed internet
- Having to look after kids or other dependents at home

- A noisy home environment

Some employees may face greater personal demands than others, such as being a caretaker for a family member or being a working parent. These demands could increase when working from home and may lead to higher levels of stress and burnout. Flexibility to complete work when their schedule allows and measuring employees on an outputs/outcomes basis rather than input basis (e.g. hours worked) is an important, but not always easy, consideration to make. These are just some of the reasons that it is important for organizations to foster a culture of compassion and empathy, where employees feel comfortable voicing their struggles and asking for help and having a team ready to support their needs. Open communication, mental health resources, and other benefits such as vacation, time-off and family programs are crucial in supporting your employee's well-being⁷.

While remote and hybrid work has many advantages, it also has the potential to reveal and exacerbate inequity in our workplaces. It is critical to create flexible work environments with equity as a top priority. Steps to establish a more equitable remote and hybrid work environment include⁸:

- Establishing a diverse and inclusive workplace by considering the needs of all staff and understanding barriers and limitations to work.
- Evaluating the needs of your workforce to create customized policies and decisions based on team and individual needs
- Investing in improved technology that considers both in-person and remote working experiences

For teams that are dispersed across different locations, it is critical to not only schedule regular meetings for team updates but also to organize opportunities to collaborate, share creative ideas and make time for team building. Hybrid teams are naturally more disconnected than in-person teams working in the same office space. Implementing regular social and connection opportunities builds cohesion within hybrid teams and encourages employee engagement⁹. Further supporting employees with up-to-date technology and tools to ensure that employees can stay productive from their home

offices, and offering further mental and physical health support, such as providing office supplies and furniture or wellness tips and tricks, are great steps to success in a hybrid work environment¹⁰.

RECRUITMENT

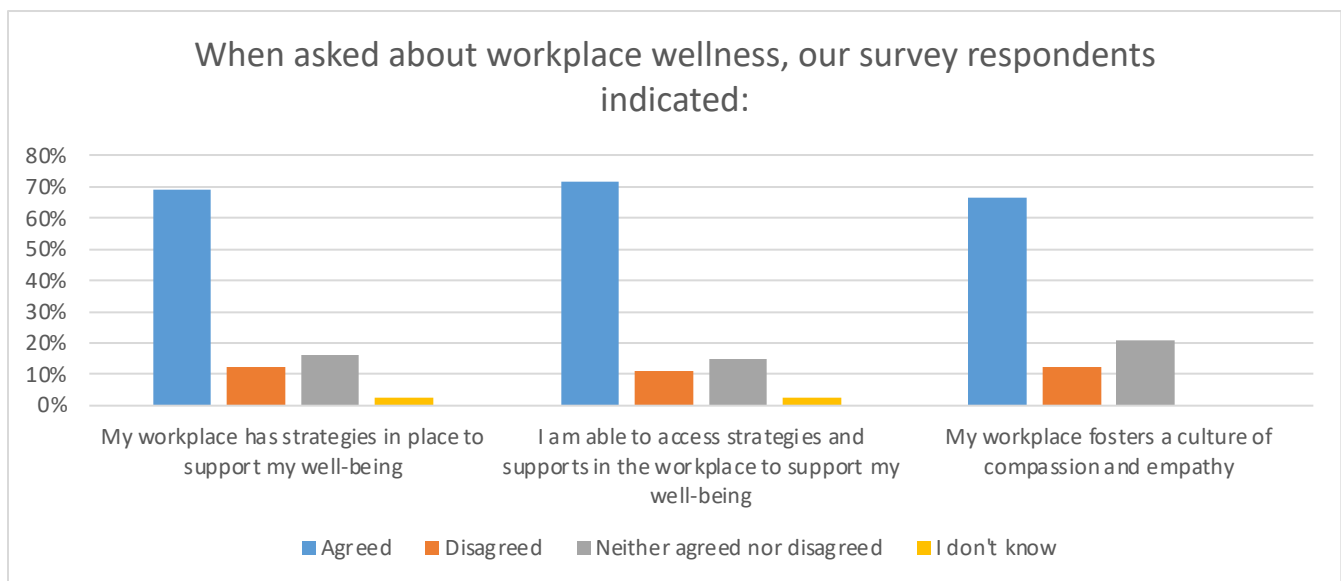
While the new ways of working offer benefits for current employees, candidates and potential future employees are also paying close attention to how organizations are organizing their workforce. In a study by Slack, 36% of employees surveyed found that organizations that offer flexibility when it comes to hours and policies are deemed more attractive than organizations that do not. The study also found that 42% of employees surveyed that have worked boundaryless fear that they, as time progresses, will not experience the same level of flexibility¹¹. In addition, some organizations have begun to revisit pre-pandemic policies requiring employees to return to work, leading to resistance from employees. In addition, we have seen organizations increase “policing” of in-office working which can lead to lower morale. As a result, flexible work has been tied to attracting and retaining talent across organizations.

The matter of hybrid recruiting has also started to trend across many organizations where recruitment is done both in-person and virtually. Although the trend has become popular, it creates the challenge of maintaining fairness in recruitment. Consistency is a massive factor to deter an unconscious bias from being created amongst employers. Therefore, although both physical and virtual interviews may be leveraged by an organization, they should be applied consistently for a certain role. For example, the recruitment of any position should contain either a physical or virtual interview and not both¹². In addition, research by McKinsey has shown that 67% of available talent consider racial and gender inclusion a vital factor in their job search¹³. In our survey, 47% (n=38) of respondents reported that their organization was consistent in applying recruitment methods from different work models (e.g., using virtual interviews to hire all auditors). 20% (n=16) reported that their organization was not and 33% (n=27) reported that they didn't know/not applicable. As a result, new hybrid recruitment processes across audit organizations in the public sector should also ensure they echo diversity and inclusion to maintain a larger pool of talent of employment.

PEOPLE MANAGEMENT

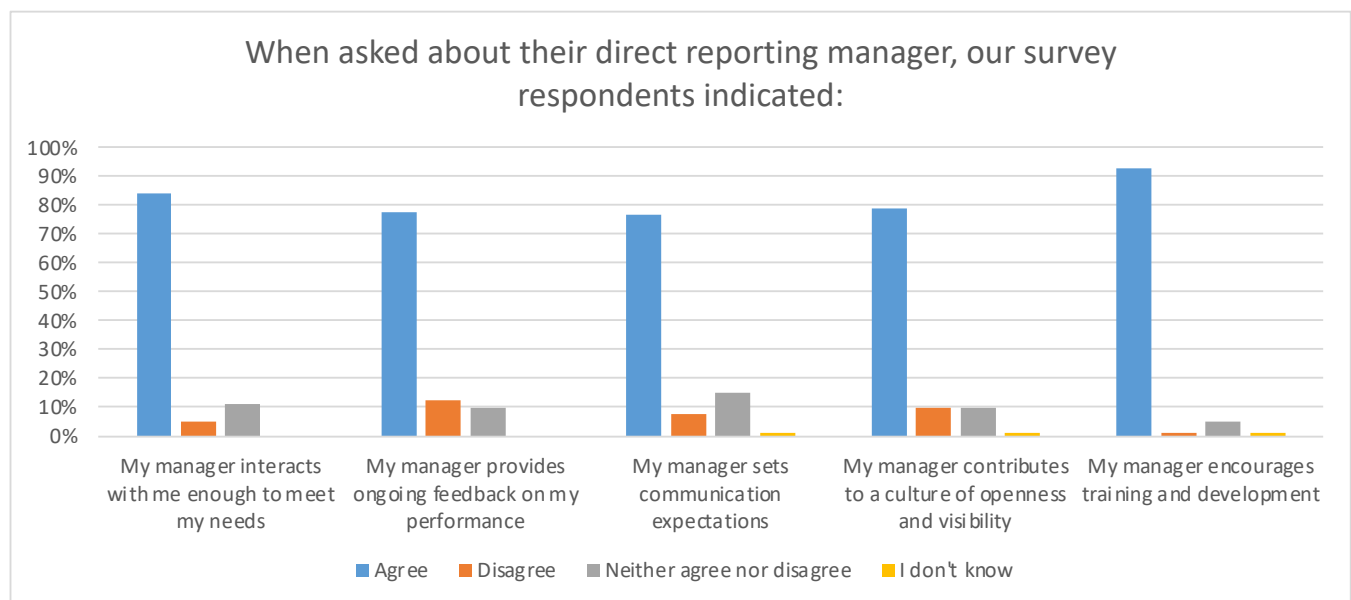
With such significant changes in the ways of working, the way organizations manage their people is also critical. Performance management has become more output driven as daily interactions/observation has been reduced in a hybrid environment¹⁴. New management approaches are required in a hybrid environment to ensure performance and delivery. To ensure employees are as productive in a hybrid work environment as they would be in office, organizations need to incorporate productivity metrics to assess staff performance levels. These metrics track and capture how quickly and efficiently employees are completing their tasks. There are several ways to measure productivity with quantitative and qualitative metrics, including:

1. Feedback: when employees work collaboratively, providing regular feedback to each other is a straightforward method to measure employee performance and gain insight on how employees are fulfilling their responsibilities.
2. Management Objectives: these measure how employee outputs contribute to the team or organization’s goals. Tracking the completion of objectives not only allows tracking of each employee, but it helps to identify who needs support in their role if they are not reaching their targets¹⁵.



People management has not just changed for employees, but also the managers who are overseeing and supporting them. Managers are often in a unique situation, faced with pressure from leadership to deliver results, but also pressure from employees to provide a safe, healthy, collaborative and supportive work environment. In many cases, managers are the most burnt-out group. In order help avoid burnout as a manager of a hybrid team, it is important to¹⁶:

- Have a routine and stick to it: By having a set of predetermined tasks you need to do before and after work, with time, you will signal your brain that work time is starting and ending.
- Work from a home office: While a full-fledged home office would be great, dedicating any area in your house to work can be challenging, but just a corner of your room is sufficient. While it may seem that working while lying down in bed is ideal, it is not only bad for your posture but your mind as well. If you work from your bed, you will not be able to distinguish between rest and work, and your brain is likely to associate your bed with work time.
- Take breaks and go on vacation: Regular breaks and vacations can go a long way in helping prevent burnout. An easy way to refresh your mind is to split up your day with physical exercise or getting fresh air. Taking time off work and going on vacation is also essential.



From an organizational perspective, investing in hybrid work training for manager and other senior level employees is critical so that they can best support, communicate and lead remote employees¹⁷.

At a senior leadership level, there are many distinct actions that can be taken to effectively manage and engage your hybrid team, such as¹⁸:

1. Maintain relationships with employees

- Establish regular interactions, ranging from a regular 1:1 meeting to team meetings.
- Organize team socials, establishing informal opportunities for the team to interact.

2. Encourage openness and visibility

- A culture of openness and visibility within your team can create trust between employers and employees, help improve morale, lower job-related stress, and ultimately boost productivity.
- Set communication expectations. Determine a cadence of communication and discussing preferences such as core business hours in which all team members must be accessible when needed, or tools that are most effective for collaboration or information sharing.

3. Create and set expectations

- Clearly defined expectations that are maintained serve as a roadmap for employees.
- If senior leaders expect teams in the office three day per week, then they must be in at least that often and ensure they are in the same day as their teams as much as possible.
- Set and maintain clear performance goals.

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7. <https://www.cpshr.us/resources/how-public-sector-organizations-can-foster-dei-in-a-remote-work-environment>
8. [How to Build Equity into Remote Work and the Hybrid Workplace](#)
9. <https://www.thehrdirector.com/features/employee-engagement/how-to-create-a-great-employee-experience-for-your-hybrid-workforce/>
10. [11 Ways to Support Your Employees While Working Work From Home](#)
11. [Post pandemic, what employees want is a mindful culture | theHRDIRECTOR \(thehrdirector.com\)](#)
12. [Three ways the pandemic has changed recruitment forever | LinkedIn](#)
13. [In a post-pandemic world, where does diversity, equity and inclusion now sit? | LinkedIn](#)
14. <https://www.yarooms.com/blog/the-future-of-work-in-public-sector-workplaces>
15. <https://hive.com/blog/hybrid-work-productivity-metrics/>
16. [Avoiding Burnout as a Remote Manager](#)
17. <https://www.thehrdirector.com/features/employee-engagement/how-to-create-a-great-employee-experience-for-your-hybrid-workforce/>
18. <https://cardinalatwork.stanford.edu/working-stanford/flexible-work/manager-resources/managing-hybrid-team>
19. [How to Manage an Audit Team Remotely](#)

APPENDIX - SURVEY RESULTS

SECTION 1: DEMOGRAPHICS

- N=81 responses to this survey were submitted.
- Q1. 40% (n=33) identified jurisdiction as Federal, 58% (n=47) identified as Provincial or Territorial and 1% (n=1) identified as other (healthcare)
- Q2. 58% (n=47) of respondents were women, 38% (n=31) were men, and 4% (n=3) preferred not to answer
- Q3. 27% (n=22, 1 non-response) of respondents reported that they were a member of an equity deserving group.
- Q2 and Q3. Of those who responded to both questions 2 and 3, n=7 identified themselves as a man from an equity deserving group and 15 individuals identified themselves as a woman from an equity deserving group.

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- Q4. 61% (n=49) of respondents identified their geographic location as Central (QC, ON, NU), 19% (n=15) identified their location as Prairies (MB, SK, AB, NT), 15% (n=12) identified their location as Atlantic (NL, NS, PE, NB) and 6% (n=5) identified their location as Pacific (BC, YT).
- Q5. 31% (n=25) of respondents identified as being a Manager, 24% (n=19) reported being an Auditor, 22% (n=18) reported being a Director, 12% (n=10) reported being a member of Sr. Management/Chief Audit Executive, 9% (n=7) reported being a Supervisor and 3% (n=2) reported being other. The survey did not ask those that chose other to identify their position.

SECTION 2: FLEXIBLE WORK

- Q6. 85% (n=69) reported working in a hybrid work model where they worked remotely and on-site based on organizational parameters. 9% (n=7) respondents reported working in a flexible model under specific circumstances (i.e., remote work to accommodate appointments) and 6% (n=2) reported working in an on-site model in one location (i.e., work from the organization's designated work site).
- Q7. N=68 respondents answered this question about working in a fully flexible or hybrid model.
 - N=26 respondents reported working 3 days on-site
 - N=32 respondents reported working 2 days on-site
 - N=3 respondents reported working more than 3 days on-site
 - N=3 respondents reported working less than 2 days
 - N=4 respondents reported working in another arrangement (e.g., 5 days on-site followed by 5 days remote)
- Q8. Respondents agreement that an office designed with various work spaces (e.g., quiet and collaborative spaces) has a positive impact on:
 - Recruitment, 64% (n=52) of respondents agreed, 15% (n=12) disagreed, 19% (n=15) neither agreed nor disagreed and 1% (n=1) didn't know.
 - Engagement, 63% (n=51) of respondents agreed, 15% (n=12) disagreed, 20% (n=16) neither agreed nor disagreed and 1% (n=1) didn't know.

- Collaboration, 72% (n=58) of respondents agreed, 10% (n=8) disagreed, 20% (n=16) neither agreed nor disagreed and 1% (n=1) didn't know.
- Performance, 61% (n=49) of respondents agreed, 21% (n=17) disagreed, 17% (n=14) neither agreed nor disagreed. 0 respondents didn't know.
- Well-being, 64% (n=52) of respondents agreed, 16% (n=13) disagreed and 19% (n=15) neither agreed nor disagreed.
- N=1 respondent did not answer this question.

SECTION 3: RECRUITMENT and RETENTION

- Q9. 47% (n=38) respondents reported that their organization was consistent in applying recruitment methods from different work models (e.g., using virtual interviews to hire all auditors). 20% (n=16) reported that their organization was not and 33% (n=27) reported that they didn't know/not applicable.
- Q10. 16 respondents reported that their organization was not consistent with applying recruitment methods from different work models.
 - Of those, 7 reported that the organization conducts in-person and virtual interviews depending on the individual (e.g., if the applicant lives out of town), 2 reported that the organization conducts in-person and virtual interviews depending on the competition and 2 reported that the organization conducts in-person and virtual interviews but did not specify in what circumstances.
- Q11. 59% (n=48) of respondents reported that their organization has employees outside the geographical location of the office (e.g. in other cities or part of the province/country). 31% (n=25) reported that they did not and 10% (n=8) reported they didn't know.
- Q12. When asked what flexible work arrangements are applied to employees who are outside the geographical location of the office, 16 respondents reported that they work remotely on more days than other employees, 12 reported that they work from an office that is closer to their home on the "on-site days", 4 reported that they work the same arrangements as everyone else, 6 reported that they don't know and 7 reported other.

- Q13. When comparing hybrid work model with working exclusively on-site
 - 89% (n=72) of respondents agreed that the hybrid work model offers better work-life balance; 9% disagreed (n=7) and 3% (n=2) neither agreed nor disagreed.
 - 67% (n=54) agreed that the hybrid work model makes them feel more engaged in work; 14% (n=11) disagreed and 20% (n=16) neither agreed nor disagreed.
 - 52% (n=42) of respondents agreed that the hybrid work model makes them feel more engaged with colleagues; 17% (n=14) disagreed and 31% (n=25) neither agreed or disagreed.
 - 59% (n=48) of respondents agreed that the hybrid work model increases diversity and regional representation; 12% (n=10) disagreed, 22% (n=18) neither agreed nor disagreed and 6% (n=5) reported that they don't know.
 - 65% (n=53) of respondents agreed that the hybrid work model broadens access to needed skills and capabilities; 12% (n=10) disagreed, 20% (n=16) neither agreed nor disagreed and 3% (n=2) reported that they don't know.
 - 15% (n=12) of respondents agreed that the hybrid work model decreases managers ability to supervise, support employees and manage workload; 74% (n=60) disagreed, 10% (n=8) neither agreed nor disagreed and 1% (n=1) reported that they don't know.
- CROSSTAB – Q 13f. with Q5. (Employee Type) 80% of managers disagree that a hybrid work model decreases a manager's ability to supervise, support employees and manage workload. 8% agreed and 12% neither agreed or disagreed.
- Q14. 96% (n=78) of respondents reported that they would prefer to work for an organization that offers flexible hours and policies; 1% (n=1) reported they would not and 3% (n=2) reported they don't know.
- Q15. 68% (n=55) respondents reported that they would consider leaving a job if they were mandated to work on-site 5 days a week vs. a more flexible model; 21% (n=17) said they would not and 11% (n=9) said they didn't know.

SECTION 5: PEOPLE MANAGEMENT

- Q16. Respondents agreement about workplace wellness
 - 69% (n=56) of respondents reported that they agree that their workplace has strategies in place that support their well-being. 12% (n=10) disagreed, 16% (n=13) neither agreed nor disagreed and 3% (n=2) said they didn't know.
 - 72% (n=58) respondents agreed that they are able to access strategies and supports in their workplace to support their well-being. 11% (n=9) disagreed, 15% (n=12) neither agreed nor disagreed and 3% (n=2) didn't know.
 - 67% (n=54) respondents reported that their workplace fosters a culture of compassion and empathy (e.g., I feel comfortable asking for help). 12% (n=10) disagreed and 21% (n=17) neither agreed nor disagreed. 0 respondents reported that they didn't know.
- Q17. Respondents agreement with having access to tools and equipment needed to work in a hybrid work model:
 - 86% (n=70) of respondents agreed that they have access to updated technological equipment they need to work in a hybrid work model. 5% (n=4) reported they disagreed, 7% (n=6) reported they neither agreed nor disagreed and 1% (n=1) didn't know.
 - 61% (n=49) of respondents agreed that they have access to the ergonomic equipment they need to work in a hybrid work mode. 20% (n=16) reported they did not, 15% (n=12) reported they neither agreed nor disagreed) and 5% (n=4) reported they didn't know.
 - 72% (n=58) of respondents agreed that they have access to the health and safety items they need to work in a hybrid work model. 10% (n=8) reported they did not, 15% (n=12) reported they neither agreed nor disagreed) and 4% (n=3) reported they didn't know.
 - 17% (n=14) of respondents agreed that they have access to the other tools and equipment they need to work in a hybrid work model. 5% (n=4) reported they did not, 21% (n=17) reported they neither agree nor disagree and 28% (n=23) reported that they don't know.

- Q18. Respondents agreement with having access to other tools and equipment needed to work in a hybrid work model.
 - 10 respondents reported that they have access to equipment and tools they need (e.g., We use laptops which are easily transportable, no difference in resources available to me at home vs. office)
 - 7 respondents mentioned challenges associated with the tools and equipment they need to work in a hybrid work model (e.g., no ergonomic chair or desk was provided by the office, there are still issues with technology at times – access to meeting space)
- Q19. Respondents agreement that their organization aligns their performance needs to the work/life needs of employees.
 - 53% (n=43) of respondents agreed, 31% (n=25) disagreed, 15% (n=12) neither agreed nor disagreed and 1% (n=1) reported Don't know/Not applicable.
- Q20. Respondents reported that the performance measures their organization uses include:
 - Employee feedback (e.g., surveys) n=30
 - Employee performance reviews n=47
 - Monitoring employee attendance n=4
 - Respondent didn't know how performance is measured n=7
- Q21. Respondents agreement that were asked what method(s) their organization uses to set expectations and given 3 methods.
 - 37% (n=30) respondents reported that their organization uses all 3 methods: Clearly define and maintain expectations that serve as a roadmap for employees, Set and maintain clear performance goals and expectations for you in your job and Use the performance management system to promote continual growth and drive results.
 - 3% (n=2) respondents reported that their organization uses both Clearly define and maintain expectations that serve as a roadmap for employees and Uses the performance management system to promote continual growth and drive results
 - 9% (n=7) respondents reported that their organization uses both Set and maintain clear performance goals and expectations for you in your job and

maintain expectations that serve as a roadmap for employees and Uses the performance management system to promote continual growth and drive results.

- 14% (n=11) respondents reported that their organization Uses the performance management system to promote continual growth and drive results.
- 4% (n=3) respondents reported that their organization Clearly define and maintain expectations that serve as a roadmap for employees and Set and maintain clear performance goals and expectations for you in your job and maintain expectations that serve as a roadmap for employees.
- 15% (n=12) respondents reported that their organization Set and maintain clear performance goals and expectations for you in your job and maintain expectations that serve as a roadmap for employees.
- 12% (n=10) respondents reported that their organization Clearly define and maintain expectations that serve as a roadmap for employees.
- 7% (n=6) respondents did not answer the question
- Q22. Respondents who agree that their manager does the following:
 - 84% (n=68) of respondents agreed they interact with them enough to meet their needs. 5% (n=4) disagreed and 11% (n=9) neither agreed nor disagreed.
 - 78% (n=63) of respondents agreed that their manager provides ongoing feedback on their performance. 12% (n=10) disagreed and 10% (n=8) neither agreed nor disagreed.
 - 77% (n=62) of respondents reported that their manager sets communication expectations (e.g., core business hours). 7% (n=6) disagreed, 15% (n=12) neither agreed nor disagreed and 1% (n=1) didn't know.
 - 79% (n=64) of respondents reported that their manager contributes to a culture of openness and visibility. 10% (n=8) disagreed, 10% (n=8) neither agreed nor disagreed and 1% (n=1) didn't know.
 - 93% (n=75) of respondents reported that their manager encourages training and development to help employees develop and maintain their skills. 1% (n=1) disagreed, 5% (n=4) neither agreed nor disagreed and 1% (n=1) didn't know).
- Q23. Respondents reported that there are opportunities they have experienced, or think they will experience, as a result of working in a hybrid model compared to

exclusively working on-site. This was a choose all that apply question. The proportion is calculated using the total number of possible respondents n=81.

- 93% (n=75) of respondents reported they will save time and money
 - 48% (n=39) of respondents reported greater coverage and reach
 - 82% (n=66) of respondents reported improved efficiency
 - 44% (n=36) of respondents reported improvement of technology
 - 36% (n=29) of respondents reported faster reporting
 - 31% (n=25) of respondents reported opportunities to try new services
 - 68% (n=55) of respondents reported reduction of auditor fatigue
 - 26% (n=21) of respondents reported increased client engagement
 - 5% (n=4) of respondents reported other
- Q24. When asked to identify the highest risks associated with hybrid work model compared to exclusively working on-site:
- N=3 respondents reported no risks associated with hybrid work
 - N=5 respondents reported that risks associated with working exclusively remotely were/are mitigated and exclusive remote work should be continued
 - N=2 respondents reported risks associated with hybrid work model including: building relationships is different when in person vs. online, losing the human element of meeting people in person.
- Q25. Respondents identified the following suggestions on leading or innovative advisory or assurance practices that have been/or may be realized as a result of a hybrid model as:
- N=5 respondents suggested leveraging or enhancing technology
 - N=4 respondents suggested regular communication with audit team members (e.g., incorporate daily scrum meeting with teams working on the same audit files)
 - N=3 respondents made suggestions related to staffing and training (e.g., opportunity to exchange audit staff amongst audit shops to learn from others, it would be good to hire from outside the NCR)