<div align="center">

Written Testimony of Sean Morris
Principal, Deloitte Consulting LLP
Before
Senate Homeland Security and Government Affairs Committee
July 28, 2020

</div>

COVID-19 and the Virtualization of Work: Responding, Recovering, and Preparing to Thrive in the Future.

INTRODUCTION

Chairman Lankford, Ranking Member Sinema, and members of the Subcommittee: thank you for the opportunity to testify today on the lessons the Federal government can learn from the private sector regarding the future of virtual work. I appreciate the Subcommittee's attention to this matter and recognize how important this is to each of you, your colleagues, and your constituents. I am honored to share with you Deloitte's strategy and approach to virtualizing our workforce and our related response to COVID-19. This pandemic is an unprecedented challenge affecting us all. My experience is that challenges pose opportunities to rethink deep-rooted orthodoxies and so it is my hope that the Federal government, like Deloitte, can use this moment in our history to rethink how and where its workforce performs their important roles for the American people. Further, now perhaps more than ever, this is as an opportunity to accelerate the Federal government's ability to access, engage and retain top talent in support of its critical missions as we recover and rebuild from this unprecedented crisis.

My name is Sean Morris, and I am a Principal in Deloitte Consulting's Government and Public Services Practice (GPS). I have spent my entire life in and around the critical missions of our government, firstly as a military family member to a 26-year veteran of the United States Air Force and professionally for more than 20 years, dedicating my career to helping Federal government clients. Currently, I am the Chief Operating Officer (COO) for Deloitte's $5 billion US Government and Public Services business and have day-to-day operational responsibility for more than 16,000 US and globally deployed personnel. In this role, I sit on the firm's Operating Committee, overseeing a comprehensive future-forward transformation for Deloitte's GPS business across all aspects of HR, IT, Facilities, Contracts, Finance, Security, Compliance, Marketing, and Business Development. This transformation is strengthening Deloitte's operations in response to the rapidly evolving demands of our **work, workforce, and workplaces.** These are the three dimensions of the future of work, which we have anticipated for years, but are quickly being made more critical and relevant for us all during the COVID-19 pandemic.

OUR APPROACH

All organizations have been impacted by COVID-19. The private sector is responding to many of the same challenges that the government is faced with: ensuring the safety of its workforce while fulfilling its critical missions. Today, I will share my perspective on how Deloitte is responding to these challenges – what we did and why, and what we have learned as a result.

Deloitte's workforce model is designed to be adaptable to a "work from anywhere" environment. Due to the nature of our work, across offices, client sites, and travel in between, we were technologically and culturally primed for a quick transition to almost fully virtual work once COVID-19 necessitated the closure of our office locations and client sites. One of the biggest advantages of this approach is that we are less constrained by geographic boundaries for talent. However, we also knew that we needed to be strategic about this transition – like our government clients, some of our mission-critical work needed to occur in secure locations. Our teams also had to adjust to virtual onboarding and collaboration at a pace and scale we had not planned for. Additionally, we knew that our employees faced unprecedented levels of stress in finding their new "work-life balance" as disruptions to schools and general day-to-day activities resulted in increasing care levels for family members and loved ones.

I am pleased to report, thanks to a dedicated team effort, our response to the challenges posed by COVID-19 was strong – no downward trends in client satisfaction, productivity, or employee morale. I fully believe this is because we used a **strategic approach to determine the best ways to get our work done** in a constantly changing and highly unpredictable environment, and because above all else, we **made decisions that put our employees, and their wellbeing, first**.

Our approach to virtual work in the era of COVID-19 anticipates that we will likely not return to the way we worked previously. The world of work is, and has been, fundamentally changing, and COVID-19 is an accelerator of that change. As we advise our clients, organizations that attempt to just "return to the office" are missing the opportunity to take advantage of the positive changes a new normal can offer. As depicted below in *Figure 1: Designing a Roadmap to the "New Normal,"* the three phases of **Respond, Recover, and Thrive** maps the immediate short-term need to support employees through the COVID-19 crisis, the subsequent imperative to build a flexible and future-forward strategic plan for recovery, and the ultimate opportunity to thrive and embrace the future of work.
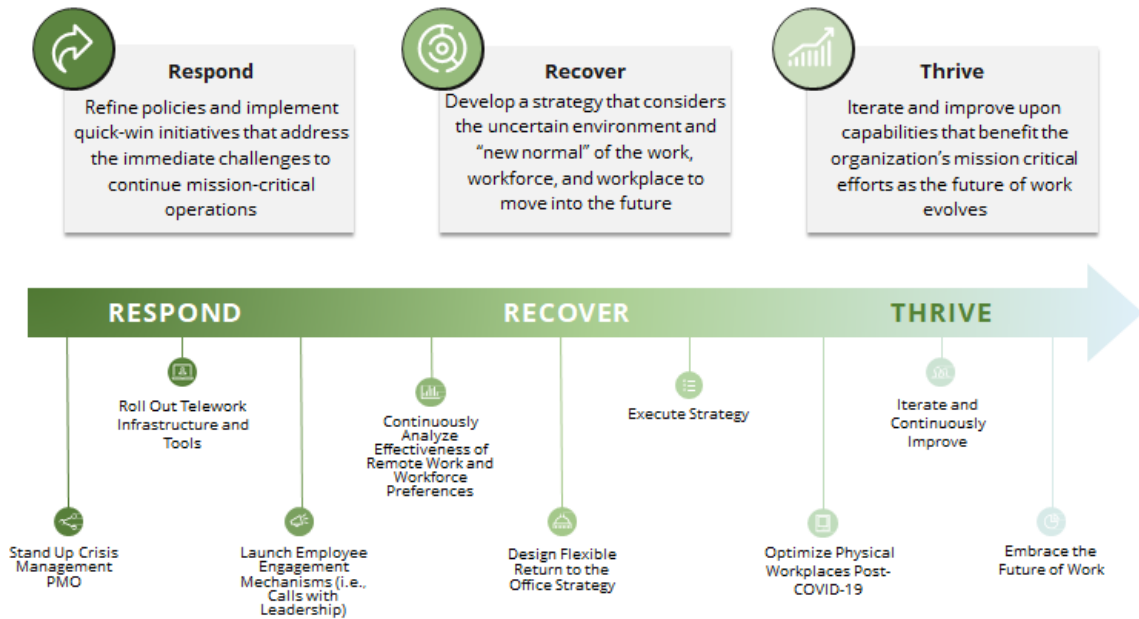
Respond
Refine policies and implement quick-win initiatives that address the immediate challenges to continue mission-critical operations

Recover
Develop a strategy that considers the uncertain environment and "new normal" of the work, workforce, and workplace to move into the future

Thrive
Iterate and improve upon capabilities that benefit the organization's mission critical efforts as the future of work evolves

RESPOND　　　**RECOVER**　　　**THRIVE**

Roll Out Telework Infrastructure and Tools

Continuously Analyze Effectiveness of Remote Work and Workforce Preferences

Execute Strategy

Iterate and Continuously Improve

Stand Up Crisis Management PMO

Launch Employee Engagement Mechanisms (i.e., Calls with Leadership)

Design Flexible Return to the Office Strategy

Optimize Physical Workplaces Post-COVID-19

Embrace the Future of Work

Figure 1: Designing a Roadmap to the "New Normal"

Respond: Immediately, we had to harden our virtual work capabilities by engaging strategic communications, crisis management, operations, technology, and infrastructure. We rapidly stood up a Program Management Office (PMO) to centrally coordinate this effort, and our national leaders began hosting weekly calls with their respective businesses to share relevant health information about the pandemic and its impact on how we were responding and working with clients. In short, we increased the regularity of communications, across our leadership teams and with our employees, and adopted an 'answer virtually any question' approach. Most importantly, we prioritized decision frameworks with the safety and voice of our employees at the center of everything we chose to do.

Recover: For us, and for many of our clients, this phase is the most critical and can also be the most challenging. We are deliberately analyzing and rearchitecting how work gets done – whether certain activities or roles can be permanently virtual, or a blend of both virtual and onsite. Specifically, this phase is more than just enabling an option and making it productive and fulfilling – it's also about deciding what options are best for the types of work that need to be done. This is how we guide our clients to design their recovery strategies towards the post-COVID "new normal."

In Deloitte's case, we know that the landscape of our workplace is changing. We are not bringing everyone back to the office anytime soon, and in fact, we have identified that some work will remain virtual – the COVID-19 experience has shown us that work is just as effectively done virtually as it was in person. We, however, advise against making these decisions without a strategic approach that considers each of the three dimensions of the work, workforce, and workplace:

- We seek to **understand and prioritize the work** that is being done. We ask questions like: What work is mission-critical and impossible to do virtually? What work has successfully transitioned to virtual? What challenges persist?
- We **pulse the workforce** by asking questions such as: Do employees want to come back to an office? Are they more comfortable staying at home due to health risk factors or other reasons? Who cannot work from home due to space, technology access, or confidentiality concerns?
- We **scenario-plan the workplace** by considering questions like: How isolated are individuals' workspaces from others and, if they return to the office, could they operate with minimal contact with other employees? What are likely public health guidelines, including continued social distancing and varying models on location-based outbreaks?

As a firm, we asked ourselves these questions and ultimately used the answers to prepare to make strategic decisions about the landscape of the workplace – and, in turn, how we needed to adjust technology, policies, skills, jobs, performance management, and collaboration tools to enable a blended (co-located and virtual) workforce over the next 12 to 18 months, and beyond. Which brings us to the third phase of our approach, which is Thrive.

Thrive: We will iterate and improve upon capabilities that benefit our mission-critical efforts as the Future of Work evolves. This means we will continue to evaluate our work, workforce, and workplace and continue to adapt to meet the needs of our employees and clients. This phase won't end – it is continuous improvement and iteration in response to our evolving global environment and a move towards proactive action, rather than reaction.

OUR LEARNINGS & RECOMMENDATIONS

Key learnings from our own experience, as well as advising numerous government, commercial, and academic clients through similar conversations, focus on four key areas for this subcommittee's consideration: **IT infrastructure & cybersecurity, real estate & location footprint, performance management, and employee engagement.**

IT Infrastructure and Cybersecurity

Work is more than a set of activities; it is the way people interact, create, learn, grow, team and innovate to produce value-based outcomes. Choosing the correct technologies to enable value-based outcomes requires a holistic picture of where the puck is headed. COVID-19 caused organizations to pivot to a virtual environment rapidly and in doing so they needed to address some fundamental questions:

- Are our employees equipped with necessary technology (e.g. hardware, software, remote tools, data, documents), and do they have the necessary internet and broadband access to support all work-related activities?
- Does our organization have appropriate measures in place, like VPN connections, multi-factor authentication, remote administration of devices, and a robust cybersecurity operations center to ensure people can work remotely on enterprise files and sensitive data safely?

Organizations that were able to answer 'yes' to these questions were better prepared for this rapid virtual transition, further highlighting that investments in IT infrastructure and cybersecurity are critical to organizational agility and adaptability.

When we went virtual in early March of 2020, we focused on the following key areas, critical to operational success across the globe:

1. **IT Infrastructure and Technology Platforms:** Organizations that were able to successfully make the shift to virtual work had the right IT infrastructure in place to support an entire workforce operating in a virtual environment. Deloitte has made significant investments in both building a robust IT infrastructure and leveraging the breadth of technology capabilities in the current marketplace to operate in a virtual environment. We've done this by utilizing commercial off-the-shelf software and platforms that are configured to a variety of our needs, including communication & collaboration tools, tools for knowledge management and file sharing/storage, workflow management, and data management (including data analytics and visualization tools). Harnessing the full power of these technology capabilities already deployed, Deloitte's workforce was able to seamlessly make the shift to a fully virtual environment and continue to serve clients utilizing multiple technology tools and platforms. A key prerequisite to the successful transition was doing capacity planning and live world testing to confirm that our infrastructure could manage the increased workload.

   With fewer physical and geographic barriers, organizations are acclimating to serving clients from anywhere at any time. At Deloitte we embraced an "employee first" service model years ago and in so doing have stood up IT infrastructure platforms that support both virtual service and self-service. Recognizing the importance of government missions in serving citizens, an equally flexible model of citizen-centered services in a virtual environment should also inform the right IT infrastructure platforms.

   Over the past five years, increasingly cost-effective cloud-based solutions that are designed for quick implementations and scale-up and scale-down scenarios have become more readily available to the government. These solutions formed the backbone of Deloitte's capability to quickly scale our virtual operations during COVID-19. Areas of focus to enable these platforms to work for the government include streamlined procurement processes and standard technical protocols.

2. **Broadband Connectivity and Access:** Deloitte is prepared to work virtually from anywhere by equipping our workforce with cellphones that have real-time access to broadband anywhere in the country. An important component of being able to work virtually is access to reliable broadband to collaborate and serve customers. We recognize that broadband connectivity and access is very important to our clients and the transition to virtual work has really accelerated this need. Any workforce will need access to reliable broadband to successfully perform their work and serve customers in a virtual environment.

3. **Provisioning of IT Hardware and Software:** Critical to operational success in any virtual work environment, the workforce must be equipped and have real-time access to the right IT hardware and software to complete their work responsibilities. Because of the "work from anywhere" mentality mentioned earlier, Deloitte employees were well-equipped with on-the-go-enabled and integrated versions of all hardware and software required to perform standard duties, including laptops instead of desktops and monitors, and cell phones with mobile hotspots instead of desk phones. Because Deloitte's operations span the globe, the supply of IT hardware and software is closely monitored and regulated to ensure there is an IT equipment pipeline and on-demand access to this equipment for both new hires and the existing workforce. Prior to COVID-19 and on a regular basis, we test our continuity of operations and execute comprehensive war games with diverse scenarios, all of which allowed us to respond faster and shift in our agility to serve our workforce and clients once the pandemic hit. Organizations should have on-demand access to IT hardware and software to alleviate potential disruptions or delays in the continuity of operations when a crisis emerges.

4. **Cybersecurity:** Many workplaces and the supporting IT ecosystems have become more diverse and extended, thus causing an increase in potential cyber risks. Malicious actors have been using this as an opportunity to exploit employees who are facing both a technical and cultural challenge of safely accessing sensitive or confidential information in the virtual environment. A strong technical foundation, as well as ongoing education of employees on cyber awareness, is critical especially for our government clients where cybersecurity concerns take on another dimension. Hundreds of data breaches each year are caused by careless human error or increasingly sophisticated schemes propagated by malicious actors. Therefore, cybersecurity concerns cannot be addressed solely with advanced technology strategy and policy changes – they require thoughtful consideration on how to create and reinforce a cyber culture whereby employees understand and counteract ever-evolving threats – even with mutually reinforced behaviors as simple as privacy screens on laptops, encrypted laptops, and how to safeguard data and equipment while working remotely. It is important to share emerging cyber threats and vulnerabilities in real-time so that everyone has the right situational awareness to recognize and respond to these issues. At Deloitte, we proactively share our cyber threat intelligence within our industry and US government agencies to facilitate collective defense to cyber threats before they can cause substantial damage.

In summary, Deloitte recommends the following for your consideration:

- Invest in IT infrastructure, secure collaboration platforms, and remote diagnostic and management capabilities to optimize virtual work and ensure that an on-demand pipeline of IT hardware and software is available to the workforce.
- Invest in cybersecurity procedures and training and collaborate with others as cyber threats and vulnerabilities are identified – increased awareness only helps to strengthen the ecosystem.
- Consider the human role in upholding cybersecurity and enabling proper cyber hygiene.

Real Estate and Location Footprint

As noted earlier, Deloitte's existing "work from anywhere" environment has shaped our approach to real estate and planning and positioned us to think more innovatively about the broader workplace impacts of more widespread virtual work. For years, our real estate strategy has focused on transitioning us to flexible office spaces that support our workforce's unique and varying needs, with open seating and comfortable collaboration spaces easily reserved via a user-friendly app that shows real-time availability. This concept of 'hoteling' means that practitioners can truly work from anywhere, without being tied to a specific desk. Over time, like many organizations, we had already planned to provide an increasingly flexible offering of locations where employees may choose to work, which likely will decrease our traditional footprint.

Now more than ever, our workplace is a combination of where people work and collaborate to enable the most productive work and the best workforce experience – it has transitioned from a one-size-fits-all office space of cubicles where each employee is expected to spend their week, to a broader set of options in workplaces that form a **workforce ecosystem** responsive to the preferences of employees and the needs of the work.

As organizations look to offer more flexibility in location footprint for their employees, we see four main elements in this ecosystem, as depicted below in *Figure 2* below. First, the traditional office is transformed into a community hub where employees come to collaborate, counsel, and connect. Next, the field is where employees are empowered to be productive no matter where their work may take them. Then there is the home, which is where employees can balance work and life while maintaining productivity – and the primary working location during COVID-19. Finally, a growing set of "Third Places" includes alternative office types that will appeal to the next generation of the workforce that favors innovative and flexible work environments. In sum, we are seeing **location liberation** – the concept that the workplace is not limited to any single physical environment in order to achieve the same outcome or provide the same experience to the employee.

OFFICE

a physical connection to employer; a distinct experience

- Strengthens culture & affirms values
- Showcases the power of employment brand to candidates
- Provides dedicated space where employees can focus, collaborate, and feel a sense of belonging
- Provides our professionals a place to socialize, network, learn, and mentor

FIELD

connected to employer via technology

- Empowers employees to be productive no matter where the job may bring them – in the air or on the road,; they are equipped with collaboration technologies that connect them to their employer

"THIRD PLACES"

could include a physical connection to employer or be connected to employer via technology

- This flexible, forward-thinking approach with use of alternate office types, e.g., employer coffee shop or spoke locations as part of a hub and spoke model) will be a great recruitment tool for Millennials/Gen Zs who appreciate innovative work environments.

HOME

connected to employer via technology

- Empowers employees to be productive while also effectively balancing their work and life; they are equipped with collaboration technologies that connect them to their employer.

Figure 2: The Workforce Ecosystem

In summary, Deloitte recommends the following for your consideration:

- Reimagine the workplace ecosystem at the organizational level to provide multiple, flexible options for where and how government employees conduct their work.
- Build a work-from-anywhere culture that empowers employees to maintain productivity while also achieving work-life balance.

Performance Management

An effective performance management approach is a core foundational element for building trust between supervisors and employees, and for focusing progress toward organizational and mission success. Deloitte's approach to performance management is grounded in frequent, meaningful conversations to fuel the performance and development of our people and teams. These conversations, when coupled with reliable data and insights, enable us to understand and recognize performance throughout the year.

The rapid transition to virtual work presents government organizations with an opportunity to challenge the orthodoxy that physical presence and visibility in the office equals a productive and high-performing workforce. Utilizing an effective performance framework that gathers and measures feedback across all levels in the organization, supervisors can measure outcomes, create a culture of feedback, and elevate the workforce experience. Virtual and distributed working require us to expand our lens of productivity by focusing on work effectiveness, work efficiency, and workforce empowerment. Employers must be proactive and explicit in making the desired outcomes and outputs of work visible to employees in order to achieve them. Shifting to measuring accomplishments and outcomes over activities and labor hours allows organizations to cultivate a work environment of high-performing and productive teams.

Performance management approaches focused on an annual event (such as a year-end performance review) miss the opportunity for a more well-rounded view of performance resulting from a series of regular check-ins with multiple team leaders, co-workers, and direct reports. Further, performance management approaches that establish a series of performance indicators around qualitative and quantitative outcomes, rather than responsibilities, allow for a more effective measurement of how an employee is performing.

In summary, Deloitte recommends the following for your consideration:

- Use this as an opportunity to implement a new performance management approach which assesses meaningful qualitative and quantitative metrics focused on outcomes and provides opportunities for frequent check-ins to discuss both the work itself and the overall work experience.
- Cultivate a culture of continuous 360 feedback, clear expectations, and open communication to increase trust between supervisors and employees.

Employee Engagement

In my experience, an employee's engagement level is highest the first day they start a job and can progressively decline if the work experience fails to meet expectations. According to our 2020 Global Human Capital trends survey, 86% of employees and executives cite lack of collaboration or ineffective communication for workplace failures. Therefore, organizations like Deloitte invest heavily in an employee's experience from the recruiting phase all the way through to our alumni program. This full life cycle investment is widely recognized as enabling higher returns on attracting and retaining the most diverse and highly skilled workforce in addition to the highest levels of mission effectiveness and productivity.

Challenging moments like COVID-19 can result in significant declines to employee engagement when leaders and organizations fail to adapt their strategies. At Deloitte we are utilizing the challenges presented by working remotely during COVID-19 as an opportunity to take a deeper dive into what our people are experiencing as we strive to create the number one talent experience. For example, we are working with cohorts such as underrepresented minorities and caregivers to identify areas of challenge in their work experiences and proactively rectifying them. We are creating forums and utilizing point-in-time "pulse surveys" to gather input and discuss current events and concerns so our people have an outlet for their voice to be heard. Since the onset of COVID-19, we have transitioned and expanded many of our learning, social impact, and team-building events to virtual platforms to ensure that this important input of employee engagement continues to build momentum. The impact that remote work has on even the most fundamental learning moments on the job – from onboarding, to system training, to working with teams – cannot be understated, and the rapid virtualization of learning programs is a complex challenge for any organization. The future of learning must provide workers with easy access to digitally enabled learning resources, on demand. At Deloitte, we took on the issue of opening access to learning using enabling environments that empower the workforce to access and curate learning that is available inside and outside the organization. And, in a time when "working from home" can often be interpreted as "working all the time," we are closely

monitoring paid time off and actively encouraging our people to take time off and manage the balance between their working time and the time they are taking for their own well-being. We've been successful at preserving our productivity and client delivery because we have put our employees at the center of our Respond, Recover, and Thrive framework.

We are using the necessity of working from home in response to COVID-19 as an opportunity to double down on employee engagement to strengthen our future. By assessing, prioritizing, and developing timely strategies to match work activities to the workplace, we are rethinking the work for years to come. This, in turn, allows us to refresh and expand the concept of "employee experience" to address the "human experience" at work. We recognize that elevating the human experience in a virtual work environment includes hands-on management, establishing a positive work environment, providing meaningful work, allowing growth opportunities, and instilling trust in leadership.

In summary, Deloitte recommends the following for your consideration:

- Prioritize open, honest conversations about culture and employee morale at all levels.
- Invest in digital capabilities that provide a shared and standardized employee experience for the entire workforce, across all work locations.
- Build structures that provide hands-on management and positive work environments for both virtual and in-person employee experiences.

CONCLUSION

The fundamental principle underlying all four of these key areas is one we embody at Deloitte and support our clients in as well: an organization must fundamentally consider its human capital to be its core asset. Considering the critical roles of IT & cybersecurity, real estate, performance management, and employee engagement during the continued evolution of virtual work post-COVID-19 and beyond have enabled Deloitte – and, we believe, can enable the government – to turn this challenge into an opportunity, and accelerate towards the future.

Thank you again for providing me this opportunity to share Deloitte's perspectives on this topic. I look forward to answering your questions.