

U.S. Department of the Treasury

Telework Report to Appropriations Committees



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August 2023

The Joint Explanatory Statement accompanying Division E of the Consolidated Appropriations Act, 2023, P.L. 117-328,¹ directed Treasury/IRS to study the impact of telework on recruitment, retention, and organizational performance.

Approach

Treasury explored telework use, retention, recruitment, and organizational performance outcomes across three timeframes (defined below). The Department used human resources data and performance measures publicly reported in Treasury's annual Congressional Budget Justifications and Agency Financial Report. Treasury also conducted a review of existing literature on the impact of telework on workforce and organizational performance. The study analyzed data for the entire Treasury Department and for the Internal Revenue Service (IRS) where appropriate.

Study Timeframe (dates are approximate):

- **Pre-pandemic:** FY 2018 to FY 2020 Q1 and Q2
- **Pandemic** (National Emergency/Max Telework Flexibilities): FY 2020 (Q3, Q4), FY 2021
- **Workforce re-entry:** July 19, 2021, to April 8, 2023 (Post Re-entry Plans were submitted to the Office of Management and Budget (OMB) in July 2021. Treasury announced formal re-entry March through June 2022.)

Key Findings

The study found no evidence that telework created a negative impact on retention, recruitment, or organizational performance.

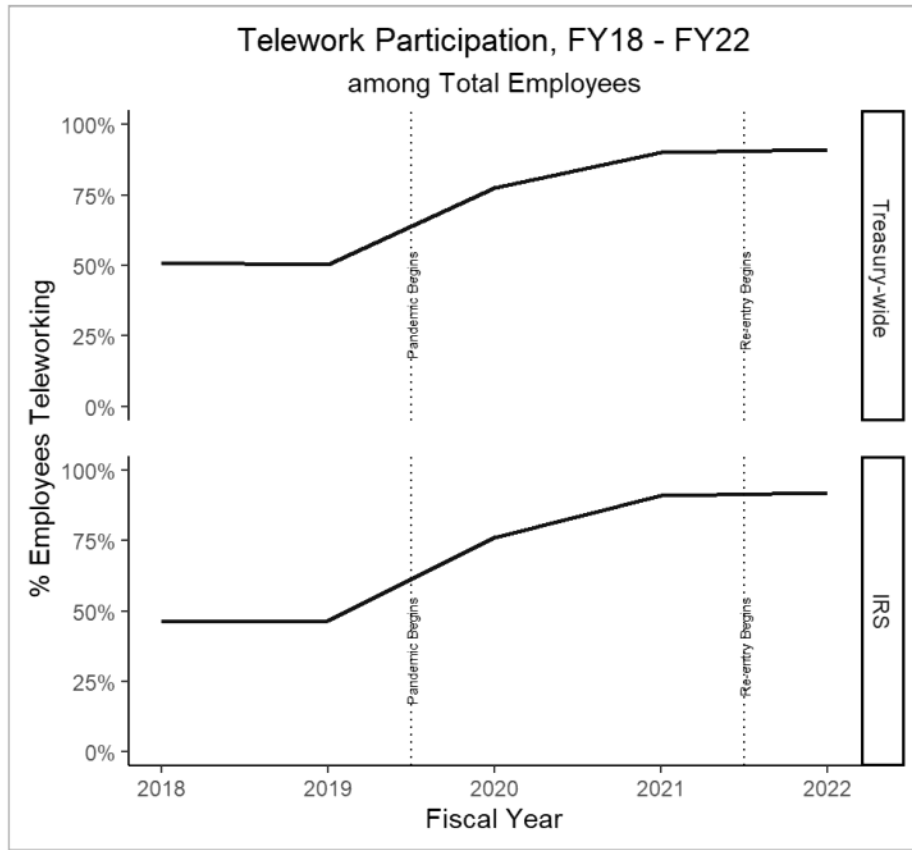
- Treasury, including the IRS, saw increases in telework during the pandemic, and telework levels remain higher in the post workforce re-entry period than pre-pandemic levels (*see figure 1*).
- Since the pandemic, job announcements highlighting work flexibilities (such as telework), attracted the largest volume of applicants (*see figure 2*).
- Post re-entry, Treasury increased its efficiency of candidate selection (ability to select a hire with initial posting), with remote postings yielding the most hires (*see figure 3*).
- Treasury retention rates and engagement scores have remained stable (*see figures 4 and 5*).
- In the 2022 Federal Employee Viewpoint Survey (FEVS), nearly 1 out of 4 Treasury employees are looking to leave the organization based on undesirable telework arrangements. Those that are looking to leave have lower engagement scores.
- Treasury has maintained consistent organizational performance amidst expanded mission requirements without corresponding resource increases, despite uncertain budget environments and changes to work environment (*see figure 6*).

¹ The Joint Explanatory Statement accompanying Division E of the Consolidated Appropriations Act, 2023, Pub.L.No.117-328, 136. Stat 4459 (2022) Text - H.R.2617 - 117th Congress (2021-2022): Consolidated Appropriations Act, 2023 | [Congress.gov](https://www.congress.gov) | [Library of Congress](https://www.libraryofcongress.gov)

Study Limitations and Future Research Opportunities

The study, due to limitations in existing data sets and insufficient time and capacity to conduct a traditional impact evaluation, does not draw statistically significant correlations. Treasury intends, based on resource availability, to conduct future research using more rigorous statistical approaches that will enable leadership to draw conclusions about the relationships between telework, recruitment, retention, and organizational performance at Treasury.

Figure 1: Telework Participation, Treasury-wide, IRS



*Data Source:
Human Resource
Connect, WebTA,
and the National
Financial Center
Mainframe.*

This chart summarizes data from the Office of Personnel Management (OPM) annual telework report, depicting the percent of Treasury employees who teleworked in each fiscal year. We have generally tried to increase the number of employees with telework agreements so that we can improve our resiliency (employees with telework agreements are required to work when worksites are closed). This does not mean that employees with telework agreements telework all the time. Treasury reviewed a recent eight-week snapshot (April 23 through June 17) of on-site passholders at the Main Treasury Complex. Over that period, approximately 67% of assigned personnel were on-site daily. This does not count the number of visitors and day-pass contractors that were also on-site at the Complex during these weeks.

Figure 2: Average Number of Applicants Per Announcement, Treasury-wide, IRS

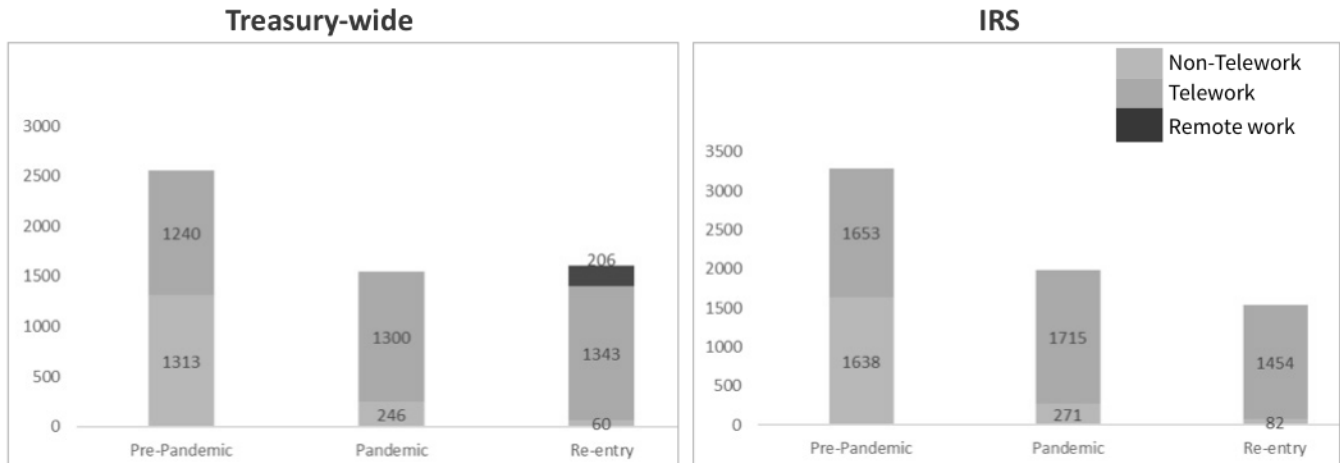
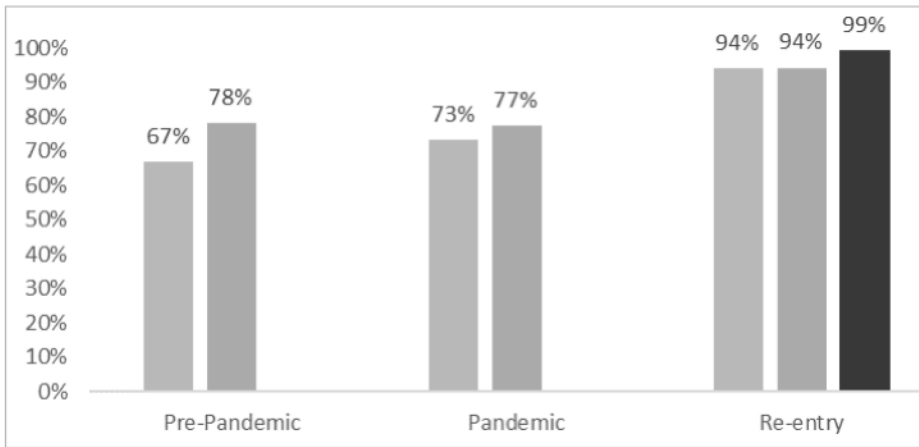
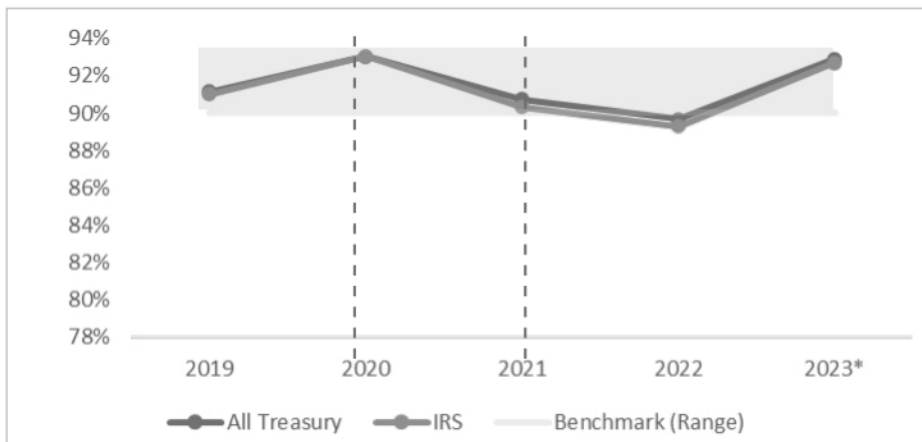


Figure 3 Percentages of Hiring Selections Yielding Hires for All Treasury



Data Source: USA Staffing, Career Connector, and Bureau of Labor Statistics (BLS)

Figure 4: Treasury Retention Rate, includes benchmark range for healthy retention rate in yellow



Data Source: Treasury Human Resource Data

Figure 5: Treasury-wide Global Satisfaction Index and Employee Engagement Index, with 65% benchmark threshold to indicate an area of strength, per the Office of Management Personnel (OPM)

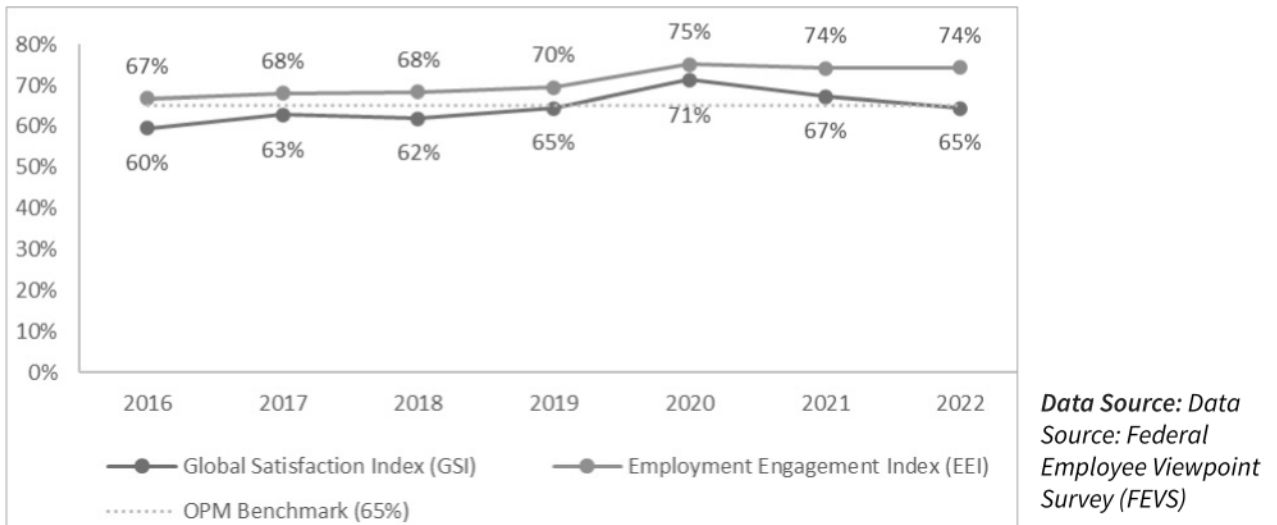
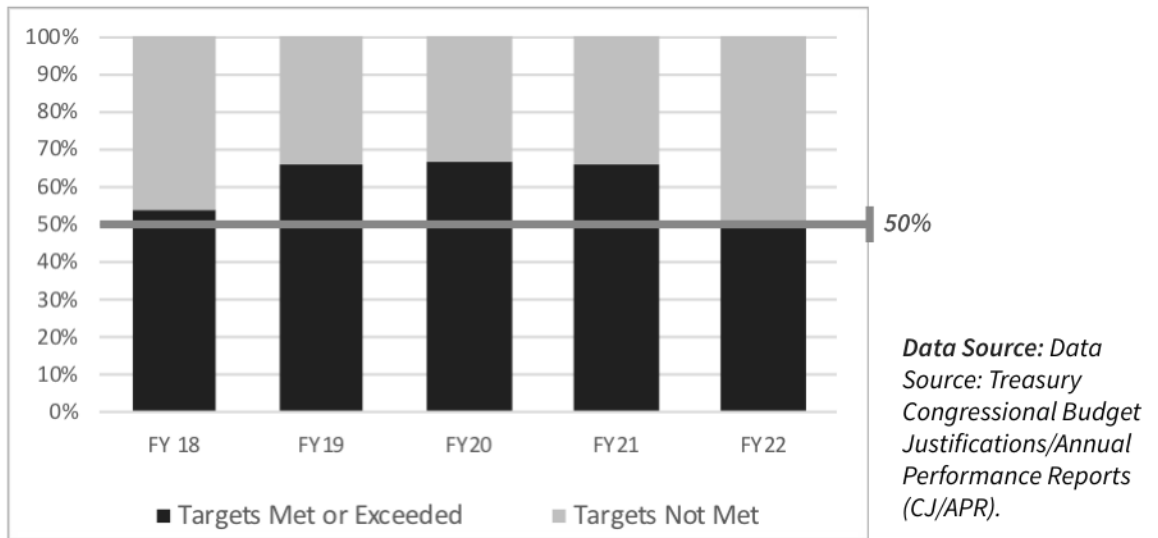


Figure 6: Performance against Targets for Treasury’s publicly reported measures during the period of maximum telework was consistent with prior years.



Treasury conducts quarterly data-driven reviews during which leaders assess organizational performance and health by tracking external and internal performance measures, including indicators (no target set) and milestones. Treasury has consistently met over 50% of targets for publicly reported measures. When targets are not met, Treasury continues to use data-driven reviews to identify strategies to improve performance. Treasury conducts annual performance measure quality assessments to analyze the strengths and limitations of these measures. Measures also change based on new priorities, as articulated in Treasury’s strategic plan.

Definitions

- **Telework** is defined as work flexibility arrangement under which an employee performs the duties and responsibilities of such employee's position, and other authorized activities, from an approved worksite other than the location from which the employee would otherwise work.
- **Remote work** is defined as an arrangement in which an employee is scheduled to perform their work at an alternative worksite and is not expected to perform work at an agency worksite on a regular recurring basis.
- **Recruitment** is defined as the process of attracting a supply of qualified eligible for employment in the Federal Service.
- **Retention** is defined as the process of keeping employees on staff.
- **Organizational Performance** is defined as performance of the organization towards meeting its mission and objectives.

