



# Reaching the Future State

Proactive workforce planning for the next generation of government agency needs

*A 2016 HCMG Workforce Planning Post-Webinar Report - Sponsored by Acendire*



# A Roadmap to Workforce Planning

Agencies across the U.S. government are revitalizing workforce planning to ensure they can withstand future challenges and continue to provide quality public service. The best-known challenges—pending retirement, employee engagement, leadership development, and aligning operations with mission critical needs—require rethinking workforce planning to be more strategic than merely reactionary.

As an example, the IRS recently experienced a long-standing hiring freeze, so that after some departures, employees' workloads became burdensome. This raised obvious concerns about stress on the IRS workforce, and questions as to what kinds of planning would have allowed the IRS to overcome barriers to employee retention and workflow management while undergoing the freeze.

Despite technological and procedural progress, it remains difficult to understand in a holistic way how employees are performing in each individual government agency, what they need in terms of training or what are best practices for their retention. For example, a holistic analysis might reveal that what was a mission-critical position five years ago might be unnecessary today, while new requirements and occupations—especially in cybersecurity—are emerging in rapid frequency. These new positions require adequate recruitment, thorough training and education, none of which were required of the organization beforehand.

During an October 2016 webinar Mission Critical: Proactive Workforce Planning for the Next Generation of Agency Needs—hosted by HCMG in partnership with Acendré—representatives from the U.S. Internal Revenue Service and Department of the Interior shared their insights into overcoming challenges to successful workforce planning, recruitment, training and security among government agencies:

- Identifying and addressing skills gaps and workforce trends
- Using data and analytics to advance workforce planning efforts
- Recruiting young professionals during a time of mass employee retirement
- Training and transitioning institutional knowledge
- Preparing for the next generation of cyber attacks

The following report identifies key points of the discussion to provide a roadmap for government agencies managing a period of workforce transformation.

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# Building a 21st Century Workforce



The IRS is a complex organization that is mostly decentralized, so while workforce planning has occurred in 'pockets' within its subcomponents, workforce planning has not been exercised successfully at the enterprise level. In order to add value at the enterprise level, the IRS turns to the Office of Personnel Management (OPM) Workforce Planning Model to determine the workforce size and skill levels required to accomplish existing and future objectives, leveraging successful plans to improve other parts of the organization.

The OPM model provides steps that serve as a useful starting point for understanding the elements involved in successful workforce planning, which means identifying and addressing gaps between existing workforces and the human capital needs of the future. Beginning with establishing a strategic direction, the model suggests conducting analyses of the workforce and skills gaps, then developing and implementing an action plan to be monitored and evaluated for possible revision as it unfolds.

These efforts should pair with the intent of facilitating the development of new employees so that they can perform at a higher level, and ultimately help the enterprise. Currently, while workforce planning occurs at only sub-levels of many organizations, bureaus at the enterprise level have varying missions to which sub-level planning efforts do not necessarily contribute.

Each of these smaller components have their own focal points—within the Department of the Interior, there are the National Parks Service, U.S. Geological Survey, and Bureau of Reclamation, for example. Currently, integrating their particular workforce plans with an enterprise-level plan is not always effective.

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“Workforce planning is increasingly important in today’s landscape of competition for talent, career movement, increasing retirements and budgetary concerns for organizations to successfully achieve their goals.”

—Mike Giuffrida, Acendré CEO

## Critical Gaps from Retirement and Attrition

In agencies, a significant gap is emerging that creates a drain on institutional knowledge. Experienced, retirement-age employees are leaving at a greater rate than organizations can recruit, hire, and train new workers, so that the new recruits have difficulties adjusting to the culture and requirements of the organization.

Daniel Riordan, Chief Human Capital Officer of the Internal Revenue Service, identifies attrition as one of the agency’s greatest workforce challenges. Over the last five years, the IRS has lost about 20% of its workforce—about 3,000 per year—which has impacted all aspects of tax administration. In this case, ensuring employees have the necessary knowledge, skills, and training to support the agency through the transition is critical.

Meanwhile, IRS employees under the age of 30 make up only about 3% of the staff—the result of difficulties in hiring processes and also attracting and retaining millennials. With upcoming retirements projected at 40% of the IRS workforce, the organization may soon struggle to meet minimum requirements for operation.

Similarly, the Department of the Interior has a workforce of over 70,000 employees with approximately 46% eligible for retirement, and has difficulties attracting aspiring Millennials to their organization. In this case, a contributing problem is the draw within the private sector, which will be discussed shortly.

There are new solutions. Implementing phased retirement, for example, which allows employees to begin that transition while transferring institutional knowledge vital to organizations’ resilience to a new workforce, is paying dividends for some organizations; and agencies investing in retention strategies that begin with monitoring employee losses and retirements have proved beneficial. This is especially true during budget cuts, which can severely impact the organization.

These solutions lend themselves to a developing, enterprise-level strategy that can identify and efficiently address pinpoints during this universal period of transition towards a truly 21st century workforce, one that is equipped to assimilate agencies’ institutional knowledge while readying itself for the technology-driven challenges of the future.

# Five Avenues for Successful Workforce Planning

During the webinar presentation, Daniel Riordan of the IRS and Kermit Howard of the Department of the Interior introduced challenges to successful workflow planning in their organizations, here summarized in five key subject areas.

## Information Assets

Data is essential to modern workforce planning, as varying employee skillsets, ages, and motivators directly affect the success of recruitment and transitioning institutional knowledge. Much of the information employers require to support workforce planning initiatives can be gleaned from employee engagement information. For example, the IRS manages a leadership succession review program with over 10,000 employees, some of which are currently holding management positions but many of which are aspiring to do so. Leadership for their succession review module ensures that employees are engaged with their supervisors in terms of assessing their status and progress. This program offers the agency perspectives on which employees are ready to fill in gaps with upward mobility and to which subsequent gaps agencies can focus their recruitment efforts.

## Workplace Environment

Within their organizations, agencies can draw on their acquired human capital and maintain retention by creating an environment in which employees are engaged to perform at a higher level, so that they are inspired to provide residual value and take satisfaction in seeing that reflected in organizational performance.

In fact, an informal survey of agency representatives conducted during the webinar reveals that, when asked which has more importance, 55% chose 'performance' and 42% chose 'potential,' whereas only 3% chose 'tenure.' The indication is that organizational priorities are shifting towards adoption and development of a new, high-performing workforce versus focus on utilization of an older, more experienced generation, which nonetheless must be available to pass down institutional knowledge to the emerging workforce.

## Public Outreach

To recruit successfully, agencies must understand how to properly create outreach mechanisms that inform the general public about who they are, and motivate professionals to apply for available positions. The Department of the Interior has reached beyond even the college level into high schools, creating pathway programs that allow internships within federal organizations. This gives young people opportunities to experience the federal public service work life and its virtues.

However, private sector forces continue to hone their competitive advantages within the job market. For the Department of the Interior, many of these companies work 'against' the public sector as well, concerning issues like energy production, preservation, and the environment. Consequently, public sector agencies must capitalize on desirable flexibilities and the virtues of their organizations to offset private sector motivators.

## Recruitment & Replenishment

Employees who feel they do not have access to horizontal, vertical, or professional growth opportunities will search for opportunities elsewhere. Notably, these are often agencies' most valuable employees, those with the greatest potential and marketable skills.

For example, many employees in mission-critical occupations are being recruited by private companies. Competing with the private sector means competing with high compensation. Public sector employers must offer flexibilities in pay, benefits, and other areas in order to mitigate the impact of recruitment and retention challenges associated with private organizations. Motivating factors associated with the virtues of public service are another distinguishing factor, and can create an impact among Millennials—the growing recruitment base for agencies.

## Engaging Millennials

Millennials are the future of government workforces, and agencies must engage with and inspire those of them who will consider upholding the civic duties of their organizations. The Department of the Interior, for example, promises meaningful work in conservation and environmental protection, which is a tenet among many developing professionals.

Despite conventional wisdom, data about Millennials is in these organizations' favor. According to the 2016 paper, *Understanding Millennials in Government*, Deloitte used both polling and direct analysis of Millennial behavior in order to debunk the Millennial myth that they are less passionate about government work.

The findings revealed that Millennial behavior displays an equal degree of engagement as other generations; and 95% of Millennial government workers agree or strongly agree with the statement, "I am proud to work for my employer," according to a nationally representative poll.<sup>1</sup>

Ultimately, younger employees will determine the performance record of these agencies, which is vital to the American public and which will allow these organizations to achieve their strategic goals. An essential component of workforce planning must be ensuring these employees are engaged and provided with opportunities to perform at higher levels.

# Emerging Technologies

Technology plays a critical role in workforce planning, especially in conducting skillset analyses, which allow agencies to determine which requisite skills are not satisfactorily represented in the workforce. In one case, the IRS is broadening its use of technologies designed to determine workforce gaps among its IT teams and creating an overall integrated talent management system at the department level.

Riordan acknowledges that public sector agencies still require more technology resources to reach their 'future state' in terms of workforce planning, and to create the knowledge necessary to properly manage both phased retirement and transfer of mission-critical occupations amidst tremendous obstacles to recruitment.

But technology is allowing agencies to overcome these challenges as applications for workforce planning become more readily available. Within the Department of the Interior, for example, certain statistical formulations and the use of data visualization are helping the organization unify these plans. According to Kermit Howard, Director of the Strategic Human Capital Planning and Accountability Div., Office of the Secretary, Department of the Interior: "There are tools that we're

currently using within our agency that are bringing technology into the forefront, allowing us to look at our workforce, see where those gaps are occurring, and then make some data-driven decisions as to how we can address those challenges. In doing so, we're coming up with new strategies on how we can share with the public all of the remarkable aspects of working in our organization, and inspiring workers to join."

Additionally, the agency is taking advantage of FITARA, the Federal Information Technology Acquisition Reform Act, which enables it to work with its CIO to create a strategic alignment within its IT force, and then navigate policies and resources in order to make them more streamlined. This provides the agency with the institutional structure it needs to create a stronger workforce within its community.

## Cybersecurity

Following recent breaches in OPM big data and the U.S. Postal Service, as well as the advent of WikiLeaks, one of the greatest challenges in government human capital management today is equipping agencies for cybersecurity and fraud detection, and acquiring talent that can manage those responsibilities.

Of course, this depends heavily on effective workforce planning. While Federal securities are under increasing pressure to defend against cyber attacks, an estimated 25% of Federalized professionals could leave government service in 2017.

In order to improve and expand upon its cybersecurity workforce, the Department of the Interior is leveraging its learning management systems to improve abilities among existing personnel. It is identifying existing employee abilities and certifications through the National Initiative for Cybersecurity Education (NICE) framework while providing additional training as well. Congruent to this effort is an alignment with FITARA to conduct analyses of existing IT workforces and identify security shortcomings.

Meanwhile, the IRS highlights identifying entry-level opportunities and correlating them with internal enhancement efforts. By acquiring a deep understanding of IT workforces and their workloads, the agencies can plan training and developmental opportunities to fulfill their requirements.

## Integrating Strategies across Agencies

By establishing these blueprints, both the Department of the Interior and the IRS open opportunities to cross-departmental learning, where found successes in one enterprise can drive similar successes in others. However, and despite federal initiatives to address agencies' gaps in cybersecurity and IT talent, implementation and awareness of these programs is inconsistent.

The IRS intends to use FITARA as a foundation for future directions in developing IT, which includes recruiting the right workforce and ensuring they are adaptable to changing technologies and new types of cybersecurity issues. Both adaptability and teachability among new employees open doors to better coordination between agencies.

Currently, although there are overarching IT initiatives at the federal level, implementation of those initiatives might differ in practice between subcomponents, depending on how they interpret the information. Flexibility within these departments, however, can help properly align the individual missions of each with the greater goal.

## Achieving the Future State

As mentioned, agencies now are looking towards the requirements of achieving their future state—meeting an established set of requirements outlined for institutional improvement. Workforce gaps between both existing and projected workforce needs remain the biggest hurdle in achieving these goals. But each agency is refining its recruiting, training, and retention efforts with new methods to meet future state requirements, which can include:

- Unifying workforce planning at the enterprise level
- Defining and filling roles within the organization
- Implementing technologies that identify skills gaps
- Engaging in strategic outreach to potential employees
- Training to meet specific organizational requirements

These techniques will provide agencies with a clearer understanding of their future workforce, pinpoint gaps as they emerge and take effective actions that prevent disruptions to operations. Doing so increases efficiency, and provides opportunities to define department objectives and expand upon services and offerings to the public.



"It's critical to have the capability to align the needs and priorities of the organization with the skills of its workforce to ensure it can meet legislative and service requirements, as well as its organizational objectives."

-Mike Giuffrida, Acendire CEO

# Appendices

## About



Acendré helps organizations plan, recruit, onboard, engage, manage and develop their people to improve workforce performance. Harnessing insights from people analytics, we partner with organizations to help them gain data-driven insight to their workforce. We believe that talent management technology, underpinned by people analytics, is fundamental to transforming organizational performance.



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## Endnotes

<sup>1</sup>Viechnicki, P. (2015, November 09). Understanding Millennials in government Debunking myths about our youngest public servants (Rep.). Retrieved November 13, 2016, from Deloitte University Press website: <https://dupress.deloitte.com/>