



Performance, Compensation &  
Talent Management Committee  
**Agenda Item 8**

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**November 15, 2016**

**Item Name:** Workforce Strategic Plan Annual Report

**Program:** Human Resources Division

**Item Type:** Information

**Executive Summary**

In September 2015, Human Resources presented an update of the Workforce Strategic Plan initiatives to the Board. We are finishing several initiatives for the final year of the existing Workforce Strategic Plan and developing a new workforce plan to take effect July 1, 2017. The new planning process and cycle aligns with the CalPERS 2017-2022 Strategic Plan to build a workforce focused on the future.

**Strategic Plan**

The Workforce Strategic Plan supports Goal B in the Strategic Plan – Cultivate a high-performing, risk-intelligent and innovative organization. The plan directly supports this goal by identifying key business drivers and creating an effective talent management strategy to improve organizational performance and help CalPERS recruit, retain, develop and empower a broad range of talents against organizational priorities.

**Background**

To address input received from our internal business partners regarding talent management needs across the enterprise, Human Resources updated the Workforce Strategic Plan in 2015. The plan builds upon the solid foundation of CalPERS talent and culture, and provides a roadmap to address current and future workforce needs. Working collaboratively across the organization, Human Resources has strategized the allocation of resources necessary to meet our Strategic and Business Plan goals. Human Resources has anticipated workforce needs and the necessary process and system enhancements to remain agile in ever changing times and ultimately prepare a framework for our continued growth and progress.

This plan positions Human Resources to achieve its mission to serve as an innovative, strategic partner by leading enterprise strategies in talent management practices to acquire, develop, motivate and retain a diverse, high-performing workforce.

The current plan expires in June 2017. Work is currently in progress to redefine the CalPERS workforce planning process to ensure it aligns with our strategic, business, and budget planning processes, as well as with the California Department of Human Resources (CalHR) Workforce Planning Model.

## Analysis

The 2013 Workforce Strategic Plan will be phased out this fiscal year and replaced by an enterprise workforce plan. Human Resources will continue to implement the remaining Workforce Strategic Plan initiatives which are identified in the chart below, as well as Attachment 1.

### *CalPERS Talent Management Programs and Initiatives*

An impressive number of programs and initiatives were identified in the Workforce Strategic Plan within four primary pillars of Recruit, Retain, Develop, and Empower. The table below reflects the initiatives and the current status. Several are in progress this year with most slated for completion in Fiscal Year 2016-17.

- ✓ *Blue check mark indicates the primary goal(s) supported*
- ✓ *Un-bolded check mark indicates additional goal(s) supported*

Initiative	Recruit	Retain	Develop	Empower
<b>Completed</b>				
Financial Office Reorganization			✓	
INVO Classification Redesign	✓	✓		✓
Onboarding Phase I (Executive Staff)		✓	✓	
<b>In Progress/Continuing &amp; Ongoing</b>				
Actuarial (ACTO) Classification Proposal	✓	✓		
Emerging Leader Training		✓	✓	✓
Financial Accounting Series Implementation	✓	✓	✓	
Hiring Process Improvements	✓			
ITSB Management Skills Reinforcement Program			✓	✓
ITSB Workforce Succession Planning Strategy		✓	✓	
Onboarding Phase II (Enterprise-wide)		✓	✓	
Organizational Health Index (OHI) 2016		✓		✓
Skills-Based Volunteer Program ( <i>illuminet</i> )		✓	✓	✓
Succession Program Expansion		✓	✓	✓

## *Next Steps*

With the current Workforce Strategic Plan expiring in June 2017, we are working to redefine the CalPERS workforce planning process to better align with our strategic, business, and budget planning processes. The workforce planning process will identify the needs and priorities of the organization and the workforce implications to reinforce alignment with our organizational goals and objectives.

Based on the California Department of Human Resources (CalHR) Workforce Planning Model, CalPERS will be implementing a phased approach to workforce planning which will begin with workforce assessments at the unit level to better understand talent needs and trends, as well as identify workforce gaps and risks. Divisions will then be tasked with prioritizing their workforce needs to be reviewed and approved by the steering committee. The steering committee will consist of Human Resources and representatives from various program areas and will be responsible for approving the most critical workforce challenges and solutions in support of the new strategic plan. Final outcomes from the steering committee will be used to develop the new CalPERS Workforce Plan and will address five main areas of workforce planning: recruitment, retention, development, empowerment, and succession planning.

In September 2016, Human Resources launched a pilot with three divisions and received feedback from the pilot participants to improve the process before launching workforce planning enterprise-wide in February 2017. Individual unit-level workforce assessments are due June 2017. This will require managers to conduct the following:

- Assess staff flight risks and future position gaps and;
- Assess current and future knowledge and skills gaps and;
- Forecast future workforce needs including the addition, deletion, or reclass of positions and;
- Develop an action plan to address the identified gaps in order to meet goals and objectives.

This information will be used to develop a comprehensive CalPERS enterprise Workforce Plan effective July 1, 2018 – June 30, 2022. Updates will be conducted annually.

## **Budget and Fiscal Impacts**

The Budget and Fiscal Impacts are unknown at this time and will be addressed, as applicable, through the annual Formal Budget Request process by impacted areas. This new workforce planning process will align with the annual budget planning processes after implementation in 2017.

## **Benefits and Risks**

The benefits of implementing these initiatives will allow CalPERS to recruit, retain, develop and empower our workforce and continue to make us an employer of choice in State government.

The risks have been identified through the CalPERS Enterprise Risk Profile. These risks link to the 2017-2022 Strategic Plan Talent Management goal and will have established metrics and measures in place to ensure the risk drivers are being addressed and mitigated.

## **Attachments**

Attachment 1 – CalPERS Talent Management Program & Initiative Summaries



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