

CalPERS Talent Management Program & Initiative Summaries

Overview: Initiatives Successfully Implemented/Complete

Financial Office Reorganization (Develop)

Human Resources worked with the Financial Office (FINO) on their overall office reorganization of functions and reporting structures to align accounting, reporting, and financial analysis functions to meet the business and operational needs of FINO, which included the creation of the Controller position. This allows FINO to create a centralized and coordinated corporate finance area to properly budget and forecast its finances to maximize returns on investments.

INVO Classification Redesign (Recruit)

Human Resources worked with our Investment Office (INVO) to improve alignment with private industry senior management working titles and responsibilities and strengthen our recruitment efforts for some of our most challenging hard-to-fill positions. Human Resources worked collaboratively with the California Department of Human Resources (CalHR) to develop new examinations for the Investment Management classification series and add the new Associate Investment Manager classification. CalPERS now uses the new Managing Investment Director, Investment Director, Investment Manager, and Associate Investment Manager classifications. This updated Investment Management series enhances CalPERS ability to recruit and retain top talent to achieve our investment strategy and goals.

Onboarding Phase I (Executive Staff) (Develop)

In response to the need for a standardized, comprehensive approach to onboarding new (to CalPERS) leaders at the Executive level, an onboarding program for Executive staff has been implemented and launched. New external and internal hires in top leadership positions receive a consistent and customized onboarding experience that enables and supports their rapid acclimation to CalPERS and their new role. While new hires continue to receive function and job specific onboarding from their branch, this program supplements their first few months by helping them navigate CalPERS and make key cross-organizational connections. Phase I of the Onboarding initiative is being managed at an oversight level and no additional steps are planned.

CalPERS Talent Management Program & Initiative Summaries

Overview: Initiatives in Progress/Continuing & Ongoing

Actuarial (ACTO) Classification Proposal (Recruit)

The focus of the Actuarial Classification Proposal has been on developing updated job descriptions and qualifications that will enhance our ability to recruit highly-skilled candidates. These efforts are part of a consortium with other departments who have actuarial positions as well. Recently, this proposal has been incorporated into the Statewide Class Consolidation Project. The class specifications being considered for the ACTO Classification Proposal will include the CalPERS Actuarial Assistant classification. Revisions have been made to the proposal. The revised proposal has been submitted to CalHR for review and approval.

Emerging Leader Training (Develop)

Feedback through employee surveys identified the need for a journey-level training program to prepare non-supervisory employees for future leadership roles. HRSD developed a project framework, including costs, which was approved to develop the program curriculum and structure by June 30, 2017. The program proposes a nomination/application process for journey-level analysts and technical staff. For those applicants selected to participate, they will commit to a 12-month program that provides a variety of development activities to transition from an individual contributor to a leadership role. The program, if approved for ongoing funding, is set to launch on July 1, 2017 as a pilot with full implementation in Fiscal Year 2018-19.

Financial Accounting Series Implementation (Retain, Develop)

Human Resources worked with FINO to develop this classification series with a goal to recruit and retain highly qualified individuals to support qualitative and quantitative analysis, research, feasibility analysis preparation, and the increased level of fiduciary responsibility related to pension financial accounting. The Financial Accounting Series Implementation project proposal was approved by the State Personnel Board (SPB). The exam portion has been finalized and we are currently working with FINO on how classification could be best utilized.

Hiring Process Improvements (Recruit)

In March 2015, Human Resources employed the Lean Six Sigma methodology to improve the CalPERS Hiring Process. The Lean Six Sigma Hiring Process Improvements project identified 12 enhancements and successfully piloted some of the items. In January 2016, CalPERS transitioned from a NEOGOV automated application tracking system to CalHR's newly deployed statewide Examination and Certification Online System (ECOS) recruitment module, with the goal of having a modern, standardized, and transparent statewide recruitment and hiring system that interfaces with the various key civil service hiring activities (including examination, eligibility examination certification lists, and recruitment). ECOS deployment for the recruitment

CalPERS Talent Management Program & Initiative Summaries

module functionality continues to evolve. As a result, full implementation of the Lean Six Sigma Hiring Process Improvements is pending the stabilization of the ECOS recruitment module. CalPERS continues to partner with and use CalHR administered consortium continuous examinations to generate a larger and more diverse talent pool.

ITSB Management Skills Reinforcement Program (Develop, Empower)

Human Resources and the Information Technology Services Branch (ITSB) have been working together to implement a framework for ITSB managers at all levels to build, improve, and reinforce management skills. The program identified foundational soft skills, administrative skills, and performance management skills necessary for ITSB managers to effectively carry out their roles and prepare for advancement opportunities. The project team finalized Phase I, effective August 1, 2016, which consisted of designing this framework. Once the framework is formally adopted, Phase II will involve piloting this program by June 30, 2017.

Succession Program Expansion (Retain, Develop)

Human Resources developed a program to implement succession planning at the SSM III and equivalent levels, with the intent to establish internal talent pipelines for Division Chief roles at the Career Executive Assignment level. Human Resources developed a repeatable process and plans to implement the program across the organization. The program officially launched earlier this fiscal year and is expected to be fully implemented by the end of the fiscal year.

ITSB Workforce Succession Planning Strategy (Retain, Develop)

In collaboration with the ITSB senior management team, Human Resources initiated work on how to address workforce and succession planning. Critical focus areas were identified and managers began contemplating appropriate strategies to address workforce needs. During 2016-17, ITSB will continue work to implement the most impactful strategies. It is anticipated the implementation of enterprise-wide Workforce Planning will also contribute to the ability for ITSB to address their workforce needs. Human Resources also launched an expansion of the Succession Planning Program enterprise wide, which will also address succession for key ITSB positions at the Chief Information Officer and Division Chief levels.

Onboarding Phase II (Enterprise-wide) (Develop)

Executive Onboarding (Phase I) was implemented in March 2016, Phase II will begin in early 2017 and will address onboarding at the enterprise level. CalPERS currently has an onboarding program for new employees; however, the goal of this initiative is to streamline the existing process to make it more efficient. Human Resources will research best practices, as well as assess the tools and training we have been utilizing to this point.

CalPERS Talent Management Program & Initiative Summaries

Organizational Health Index (OHI) 2016 (Empower)

CalPERS administered the 2016 OHI survey in April. Results from this year's survey showed improvement in eight of the nine categories surveyed, including innovation, role clarity, accountability, and process-based capabilities. We also achieved an overall health score of 69, a seven point increase over the 2013 score. According to McKinsey, the increase was about twice the average health improvement amongst companies working on health, and CalPERS achieve a quartile jump despite overall improvements in the overall benchmark – CalPERS' health is improving relative even to a rising bar. Executive staff reviewed the survey results in June, and they have identified three areas for improvement:

1. Increasing employee involvement in shaping the direction of CalPERS and ensuring a shared vision and strategic clarity
2. Accountability for results
3. Developing talent and skills – enhancing development resources for our employees

Next steps include forming action planning teams that will be comprised of staff at all levels. These teams will develop recommended strategies and tactics to aid improvement in these areas. Doug McKeever, Deputy Executive Officer, Benefit Programs Policy & Planning, is the 2016 OHI Executive Sponsor and will provide periodic progress reports to the enterprise and the Board on a regular basis.

Skills-Based Volunteer Program/illuminet (Develop)

The Skills-Based Volunteer Program, also known as *illuminet*, is planned to be launched in phases to different areas of the enterprise. *illuminet* is a user-friendly internal professional networking site with functionality similar to LinkedIn, but with more tools available to help staff find possible mentor/mentee matches. Developed by ITSB as another channel for informal mentoring, *illuminet* enables staff at all levels to voluntarily share and document their knowledge, skills, and certificates in a database repository. *illuminet* is expected to roll out to divisions incrementally through FYs 2016-18, after appropriate notice and meet and confer negotiations occur with impacted collective bargaining units and their exclusive representatives.