



Agenda Item 8

May 14, 2013

ITEM NAME: Overview of Strategic Workforce Plan

PROGRAM: Human Resources Division

ITEM TYPE: Information

EXECUTIVE SUMMARY

The 2012-14 Business Plan requires CalPERS to create an enterprise-wide, five-year strategic workforce development and implementation plan that incorporates succession planning, an automated Human Resources system, staff training and mentoring, and talent management. To meet this objective, Human Resources Division (HRSD) staff is working across the organization with our internal customers on the development of a Strategic Workforce Plan. This five-year plan will provide an integrated approach to talent management (TM) at CalPERS that aligns TM-related initiatives, processes and strategy to meet our business partners' needs. HRSD is working to identify current and future talent needs and challenges as part of our Service Level Agreement (SLA) discussions with all Executives and senior leaders. Information gained in these working sessions will be used to identify and prioritize TM needs and develop a Strategic Workforce Plan that will focus HRSD resources and services and drive TM practices and capabilities to support short and long-term needs.

STRATEGIC PLAN

The Strategic Workforce Plan (SWP) supports the CalPERS 2012-17 Strategic Plan Goal B to "Cultivate a high-performing, risk-intelligent and innovative organization". The SWP directly supports this goal by identifying key business drivers and creating an effective talent management strategy that can improve organizational performance and help CalPERS recruit, retain, develop and empower a broad range of talents against organizational priorities.

BACKGROUND

An effective SWP aligns human resource planning with an organization's Strategic Plan, goals and objectives. It optimizes human capital ensuring the availability of critical talent that can turn strategy into action and support an organization's continued success.

Components of an effective SWP include:

- Demand & Supply Forecast -- An environmental scan to identify current and future staffing needs and challenges. Such forecasts typically look out one to five years and identify the competencies and numbers of staff needed by

program/service area, “hard to fill” and key positions and associated skill sets, and the availability of the necessary talent both internally and externally.

- Analysis of program priorities and staffing forecast to ensure HR resources and services are aligned with enterprise needs.
- Development of TM strategies and tactics that address identified workforce gaps and risks prioritized by and aligned with strategic and business plan objectives.
- Evaluation of the SWP in conjunction with the organization’s Strategic Plan to ensure effectiveness of each strategy through quantitative and qualitative performance measures and adjustment, as needed, to ensure continued alignment.

ANALYSIS

Based on current analysis, we recognize that 34% of CalPERS workforce will be eligible to retire in the next five years, and during the past few years CalPERS Business Plans have included a number of initiatives aimed at addressing critical talent management needs. The SWP will integrate and prioritize TM initiatives across the enterprise enabling us to leverage strategies and effectively commit HRSD resources to ensure a strategic approach to talent management.

As HRSD works to finalize the SWP, we are currently leading a number of TM strategies underway throughout the enterprise. Below is a brief description of some of those initiatives/programs aimed at ensuring a high-performing workforce.

Recruit

NEOGOV System—HRSD recently implemented a new applicant tracking system, NEOGOV, which allows candidates to securely apply online to multiple jobs anytime from anywhere, and to receive immediate job alerts for positions of interest. This automation has increased the size of our candidate pools, and the system’s screening tools help hiring managers target the best and brightest applicants. To date, approximately 75% of applications are submitted online.

Investment Manager Class Study—HRSD and INVO are partnering to conduct an Investment Manager Classification study which is comprised of a job analysis of the class and using McLagan survey data to benchmark against industry standards to address gaps within the classification hierarchy and structure. Using the job analysis and survey data, the team is preparing to recommend broadening the class and revising incentive compensation ranges so the CalPERS can competitively recruit and retain Investment Manager candidates. The new classification series will be leveraged by the Financial Office to fill key leadership roles.

Financial Office Restructure—HRSD continues to partner with the Financial Office (FINO) to further strengthen the expertise, knowledge and experience within FINO. By separating the accounting and finance functions, CalPERS will be able to better develop specialists with deeper knowledge and experience in their respective finance

and accounting roles. The new leadership structure consisting of the Controller, Investment Accounting Officer, Financial Reporting Officer and Chief, Financial Planning and Policy will add bench strength and depth to the Financial Office, ensuring appropriate expertise, assurance, and leadership. With the increased complexity and focus on pension accounting, more specialized fiscal management skills are required. To address these recruitment challenges, CalPERS and CalSTRS have partnered to develop a Pension Financial Accountant classification that will allow our organizations to identify competencies and recruit for candidates with specific pension accounting knowledge, skills and abilities.

Actuarial Classification Study—HRSD and the Actuarial Office are participating in a multi-departmental study, led by Department of Insurance, to develop a statewide actuarial classification with updated job descriptions and qualifications that will enhance our ability to recruit highly-skilled candidates. This study will establish a current, uniform actuarial series which will also facilitate transferability of competencies within the State. This partnership fosters networking and information sharing between departments and CalHR while promoting CalPERS goals and initiatives. In addition, the effort also promotes ongoing collaboration among CalPERS, CalHR, and participating departments to work towards the resolution of future shared challenges and objectives.

Retain

Executive Succession Planning—To ensure continuity and effective transition for all levels of Executive staff, we are completing an assessment process to identify a talent pipeline of interested internal candidates including details regarding their readiness to fill key leadership roles. Development plans to address competency gaps will be established and progress monitored for pipeline candidates identified.

Career Services Unit & Job Rotation Program—In early 2012, we established the Career Services Program in HRSD to provide CalPERS employees with consultation services, tools and resources to assist them in meeting their personal career goals. The Career Services Program is currently administering a pilot Job Rotation Program which offers temporary rotational opportunities for employees in participating divisions to build new skills sets, expand their understanding of CalPERS business and services, and enhance overall career development.

Actuarial & Auditor Study Programs—To hire and retain high quality actuarial and auditor staff, CalPERS offers Actuarial and Auditor Study Programs. Recognizing these positions as “hard to fill”, both best practice programs provide for a defined amount of study time during regular work hours and reimbursement of exam-related fees to support the pursuit of higher level professional skills and certifications.

Wellness Works and Fitness Center Programs—Wellness Works focuses on creating balance for a healthier workforce through healthy and sensible lifestyle choices. The CalPERS Fitness Center program provides a safe, well-managed

fitness facility and program activities that promote increased employee health, vitality and productivity.

Develop

Learning Management System (LMS)/Skills Based Training—To ensure a skilled and competent workforce, we offer extensive training and development resources including: a skilled training delivery team, a well-equipped Learning Center, custom-designed on-site classes, curriculum design and development, web-based training development and delivery hosted through our LMS, and consulting services to address unique learning/business needs within the organization.

Customer Services & Support (CSS) Training Plan—To increase efficiency, timeliness, quality and customer satisfaction, we are working with the CSS team to design and implement a training plan aimed at strengthening staff competencies/skills to support success in the new my|CalPERS environment.

Investment Office (INVO) Smart—To provide fundamental, job-related knowledge regarding financial literacy, institutional investing, and CalPERS asset classes, HRSD is supporting the implementation of the INVO Smart Certification Program through the LMS. The training is intended for staff in INVO Policy and Business Support Division and other employees in Fiscal Services Division, Office of Audit Services, and Public Affairs Office who directly support INVO programs.

Diversity & Inclusion (D&I)—To increase awareness and understanding of D&I at CalPERS, we partnered with CalPERS Diversity Outreach Program (CDOP) to roll out five (5) SkillsSoft web-based courses through the LMS and are training CDOP staff to administer their D&I training and reporting through the LMS.

Empower

Informal Mentoring—To facilitate knowledge transfer and the sharing of expertise in all directions and at all levels across the enterprise, we have launched a two-year initiative aimed at incorporating informal mentoring into the CalPERS culture. The two-year initiative aligns with our knowledge transfer efforts by encouraging continuous learning and building bench strength across the organization, giving staff a more global perspective, strengthening diversity by helping employees reach their full potential, and engaging employees more fully in the mission of CalPERS.

Code of Service & Compliance Training—To guide employees on ethical and legal standards of business, we are partnering with Office of Enterprise Risk Management (OERM) to develop and roll-out the CalPERS Code of Service which will bring together into a single document CalPERS policies, rules and guidelines relating to employee behavior in the workplace. HRSD also tracks and reports on employee completion of mandatory/compliance training through the LMS.

3-Dimensional Recognition Program —To timely recognize the efforts and contributions of our employees, we have implemented and received national recognition for a three-dimensional program which fosters our recognition-based culture and ensures our employees feel respected and valued. The three components of our Recognition Program include: day-to-day, informal and formal recognition.

HR Metrics —To support a results-oriented focus, HRSD has developed key performance measures aligned with strategic goals that will enable us to assess and demonstrate the value of HR programs and services.

Staff anticipates the completion of the five-year SWP by June 30, 2013. Once completed, the SWP will serve as the foundation for an effective enterprise approach to TM and ensure the CalPERS has a skilled and engaged workforce to support current and future business objectives. By integrating and prioritizing TM initiatives across the enterprise, CalPERS will be able to better leverage strategies in multiple business areas, address workforce gaps and risks, and better serve our business partners. Once the SWP is finalized, staff will present the plan to the Committee at a subsequent meeting.

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