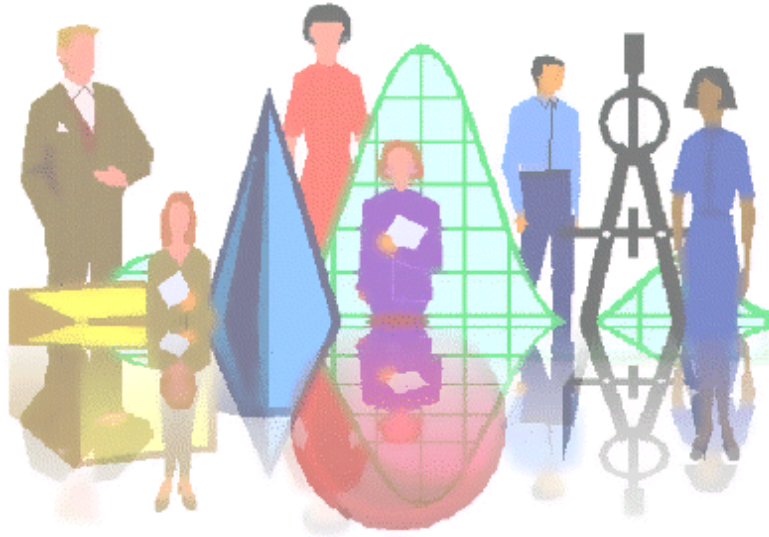


WORKFORCE PLANNING INSTRUCTION MANUAL



U.S. Department of the Interior

Office of Personnel Policy

Workforce planning can be very simple or very complex depending upon the needs of the organization. It is a multifaceted and dynamic process that requires information from a variety of sources.

Because a "How-To-Guide" cannot be all things to all people, we have provided a brief summary and general information on other processes that are equally important to workforce planning but separate processes. Each section is intended to be a stand-alone document to be used as appropriate.

Acknowledgement: We wish to thank the National Institutes of Health (NIH) who's Workforce Planning Instructional Guide served as the model for this manual.

August 2001

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WORKFORCE PLANNING SUMMARY/BRIEFING DOCUMENT

This section provides conceptual information about workforce planning.

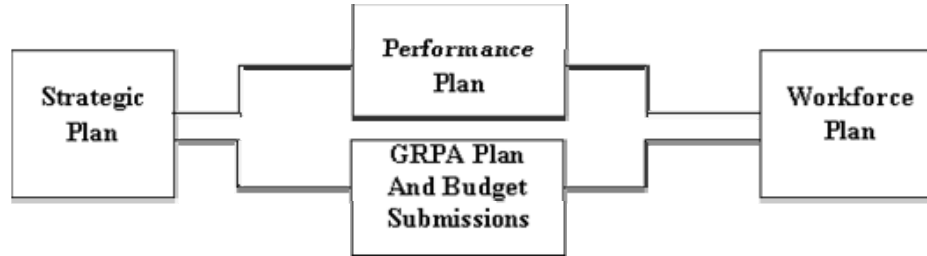
WHAT IS WORKFORCE PLANNING?

Workforce Planning (WFP) ensures that "the right people with the right skills are in the right place at the right time." This definition covers a methodical process that provides managers with a framework for making human resource decisions based on the organization's mission, strategic plan, budgetary resources, and a set of desired workforce competencies.

Planning for human resource needs is one of the greatest challenges facing managers and leaders. In order to meet this challenge, a uniform process that provides a disciplined approach for matching human resources with the anticipated needs of the U.S. Department of the Interior (DOI) and its bureaus is essential.

Workforce planning is a fundamental planning tool, critical to quality performance that will contribute to the achievement of program objectives by providing a basis for justifying budget allocation and workload staffing levels. As DOI develops

strategies to support the achievement of both long-term and annual performance goals in the strategic plans, workforce planning should be included as a key management activity. WFP must be directly linked to broad-based management strategies that encompass several processes.



It is a dynamic process that facilitates planning for different scenarios. Thus, it can be as complex or as simple as the organizational needs dictate. An organization may choose to conduct workforce planning in an office versus a functional area or a division versus the entire organization. Similarly, it is critical to conduct workforce planning during times of budget reduction as well as budget increases. Staff reductions and increases without any planning in conjunction with the organization's mission will only lead to the inability to fulfill staffing goals.

Essential Organizational Elements

In order to achieve the optimum WFP product, the following have been identified as being essential organizational elements that provide a framework for effectively carrying out WFP activities:

- Organizational Readiness to do WFP
- Top management support
- Accountability at all levels
- Integration of other planning processes with WFP
- A simple, systematic and well-documented process

Components of Workforce Planning

A review of several models has shown that, although WFP will vary depending upon the needs of an organization, the general processes appear to be alike. All rely on:

- **Integration of other planning processes.** In particular, strategic planning, budget, and human resources are key players in workforce planning. The strategic plans required by the Government Performance and Results Act (GPRA) identifies organizational direction and articulates measurable program goals and objectives. The budget process provides information on the allocated funding to achieve objectives. Human resources provides tools for identifying skills/competencies needed in the workforce, recruiting, career development, training, retraining, outsourcing, etc. in order to build the workforce of the future.
- **Workforce Supply** - Analysis of projected workforce supply based on projected retirements and attrition data on the current workforce. The Bureau of Labor Statistics (BLS) provides information on labor market forecasts (<http://www.bls.gov>).
- **Forecast Workforce Need** - Identification of skills/competencies needed in the future;
- **Gap Analysis** - Comparison of the present workforce skills/competencies to future needs to identify skill/competency gaps and surpluses;
- **Strategies** - Development of strategies and action items to address needed or surplus skills
- **Evaluation** - A dynamic evaluation process that ensures the workforce model remains valid and that objectives are being met in support of the organization's performance goals.

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WORKFORCE PLANNING MODEL



Functional Considerations

Workforce planning requires two important functional considerations:

- **Planning Time Frame**

Organizations need to consider how far into the future to project when carrying out workforce planning. Managers need to balance the certainty of short-range planning against the need to plan for longer-range objectives. Longer time frames may provide more flexibility in planning workforce transitions but also will require regular validation of the analysis of future workforce needs. Shorter time frames run the risks of requiring more drastic workforce transition management and of missing coming changes by not looking far enough into the future. [Note: the Department recommends a five-year time frame.]

- **Planning Levels**

What is an appropriate organizational level for developing a workforce plan? There is no single answer to the issue of appropriate planning levels. The most useful guideline in determining planning levels is to make sure that the outputs of workforce planning will relate to organizational or programmatic strategic objectives.

A workforce planning model should provide flexibility to DOI Bureaus and Offices to adapt models to their own organization. This includes the flexibility to determine planning levels that make managerial sense and support strategic plans objectives. The size of an organization, how it is organized, how programs are managed, and budgeted, all will impact on workforce-planning levels.

Bureaus should make a concerted effort to be consistent across regions when developing a workforce plan. All bureau functions or organizations should develop their plans the same way (i.e., by function, occupation, region, organization, etc.). Failure to maintain consistency may result in "holes" where no workforce planning data exists. [Example: A bureau conducts workforce planning functionally for all mission critical occupations. At the same time 2 of the 3 bureau regions conduct a "wall-to-wall" workforce planning effort on all positions. Such an effort would lack any data on non-mission critical positions in region 3.]

[Note: For budgetary purposes and ease of integration with the strategic planning process, the Department recommends that a bureau/office workforce plan be developed. Organizational or programmatic plans may be developed (and useful) for human resources program development purposes, but an aggregated bureau/office workforce plan has the most value for developing budget and strategic planning input.]

Why Do Workforce Planning?

There are multiple reasons to conduct workforce planning:

- **DOI Expectations.** In FY 2001, 35 to 40 percent of DOI's discretionary budget involved personnel compensation. It is important that budgeting emphasis can deal with both workforce management and workforce reductions. The Office of Management and Budget (OMB) is increasingly emphasizing the link between dollars and personnel and asks that agencies accompany workforce requests with documentation that ties these requests to overall staffing goals.

In order to meet this requirement, as well as present strong justification to appropriations, the DOI Budget Office will be asking Bureaus to apply workforce planning methods and techniques in developing staffing requirements. The expectation is that bureaus will include the outputs of workforce planning (including their workforce analysis) as supporting documentation in their budget justifications. The goal is to combine budget, program performances, and workforce priorities into a cohesive strategy that is presented in budget justifications.

- **Strategic basis for human resource decisions.** WFP helps the organization as a whole forecast future conditions and develops objectives for the human resource programs to meet the DOI/Bureau needs. It allows managers to anticipate change as well as provide strategic methods for addressing present and anticipated workforce issues. Changes in skills, competencies, and key positions can be anticipated as a result of retirements and natural attrition.
- **Links expenditures to organization's long-term goals and objectives.** Human resources are expensive. The higher the percentage of the budget comprised of human resources-related costs, the more important is the need to plan. The cost of employee turnover, replacement, retraining, and retention further increases these costs. WFP can reduce these costs by ensuring more efficient and effective recruitment, training, and retention. It also provides other benefits such as background information for position management and succession planning; better identification of training and development needs for the long-term; linkage of training with performance goals; more cost effective programs; more useful information on EEO and workforce diversity.
- **Links recruitment, development and training decisions to organizational goals.** WFP provides a clear rationale for linking expenditures for recruitment, training, employment development, retention, and other human resource programs. The Government Performance and Results Act of 1993 focus on the outcomes and results organizations expect to accomplish. Improvements in skills, personnel, and procedures will assist organizations in achieving GPRA goals.

This is also emphasized in the General Accounting Office study, "Major Performance and Management Challenges," which notes: "Only when the right workers (employees or contingency workers) are on board and are provided the training, tools, structures, incentives, and accountability to work effectively is organizational success possible."

- **Address changes in program direction** that impacts the type of work being performed and/or how the work is being performed. WFP will help to identify work that can be contracted to the private sector (outsourcing) and opportunities to delayer management. Lastly WFP allows managers to identify ways in which technology and other business changes impact the skills required in the workforce.

Automation will continue to have a profound impact on the way we do business. It will enable us to conduct our business with ever increasing efficiency. Advances in computer hardware and software will allow us to extensively use interactive and intelligent systems. Major changes to the personnel data system, office processes, and training methods can be expected.

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DOI

WORKFORCE PLANNING MODEL



Introduction

This manual is written for people who are tasked with developing a workforce plan. This manual provides information and processes that can be applied to ensure a systematic approach to workforce planning. It defines fundamental steps to develop and implement workforce plans as well as identifies tools available to assist managers and leaders in the overall process. However, there may be varying levels of understanding, varying reasons to conduct workforce planning, and varying qualities of information available within an organization. As such, whole or parts of this manual should be followed as much as the workforce planners' feel is necessary to accomplish their task, regardless of the complexity.

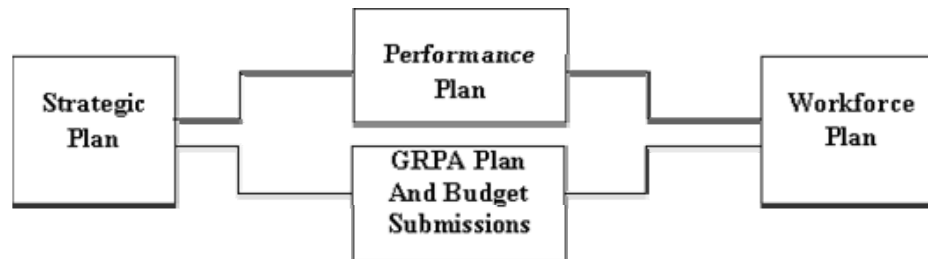
A sample model workforce plan can be found at Appendix A. Process steps 2-6 will help the user understand how to apply each step outlined in the manual. We recommend that each user refer to Appendix A for further clarification as you proceed through the steps.

What is Workforce Planning?

Planning for human resources needs (competencies and capabilities) is one of the greatest challenges facing managers and

leaders. In order to meet this challenge, a uniform process that provides a disciplined approach for matching human resources with the anticipated needs of the U.S. Department of the Interior (DOI) and its bureaus is essential. Workforce planning is key to planning for these needs.

Program goals will not be achieved without having *"the right people with the right skills in the right place at the right time."* Workforce planning is a fundamental tool, critical to quality performance that will contribute to the achievement of program objectives. As DOI describes the strategies that support the achievement of both long-term and annual program performance goals in the strategic and performance plan, activities such as workforce planning should be included as an essential component of a broad-based management strategy.



The following are common reasons to conduct workforce planning:

- Helps meet the organization's competency/skill needs
- Provides focus for workforce demographics, retirement projections, and succession planning.
- Provides a clear rationale for linking expenditures for recruitment, training, employee development, retention, and other human resource programs to the organization's long-term goals and objectives.
- Provides managers with tools to address changes in program direction that impacts that type of work being performed.
- Assists managers in creating a high quality workforce capable of continually growing and changing.
- Assist managers in identifying partnering, outsourcing, delayering, and reorganizing opportunities.
- Provides critical information for inclusion in budget requests and Government Performance and Results Act (GPRA) strategic plans.

Key Elements

Although many approaches and techniques exist for doing workforce planning, the following have been identified as being essential organizational elements which provide a framework for effectively carrying out workforce planning activities. The workforce plan should:

- Reflect the management and organizational culture of the organization
- Have top management support
- Integrate other planning resources into the process
- Be user-friendly and systematic
- Seek accountability for results at all levels

Key Steps:

The following are the steps that lead to a full workforce analysis:

1. Prepare for workforce planning
2. Organize and mobilize strategic partners
3. Collect data
4. Examine data
5. Envision the future

6. Project needs
7. Determine gap
8. Develop action plan
9. Implement plan
10. Project costs
11. Develop GPRA/budget information
12. Review effectiveness and Begin Again

Acknowledgement

We wish to thank the National Institutes of Health (NIH) who's Workforce Planning Instructional Guide served as the model for this manual.

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Step One – Strategic Direction Setting

1.1 Identify Parameters

Regardless of how complex or simple workforce planning will be in an organization or unit, it will require input from a variety of functional areas and levels such as strategic planning, executive officers, administrative officers, program managers, human resources, budget and finance, unions, and strategic planners, etc. Ideally, leaders should identify a multidisciplinary team to conduct workforce planning. However, one individual may also be tasked with this responsibility. Before you began conducting your analysis, you should begin with the following (or use ones that are more applicable to your organization) parameters regardless if it is a team or one individual:

- Clearly understand why you are doing workforce planning.
- Identify resources available.
- Adapt models, strategies, tools, and processes to your organizational environment and needs. Concentrate on planning outputs that are organizationally meaningful and which support program objectives, budget requests, staffing requests, and strategic plans. Training, coaching, technical assistance and other support will be required as offices prepare to use models, strategies, and tools.
- Begin with a set of assumptions that set the scope of workforce planning within an organization.
- The capacity to do effective workforce planning will only be developed over time. The time needed to conduct workforce planning will vary depending on the scope of the WFP plan. It is critical to begin carefully and to validate the analysis at each step. It may be helpful for an office to begin with a subset of the workforce and extend planning through the remainder of the organization. This subset may be organizationally based, (such as a State Office), occupational focused (i.e., dealing with all Park Ranger positions), or program focused (such as land reclamation activities).

After you have either adopted these parameters or developed your own based on your organization, you should discuss them with top management to ensure their support.

1.2 Organizing and Mobilizing Strategic Partners

Now that you have established the parameters for the workforce-planning project, you should begin assembling the team of professionals to participate in the workforce study. At the very least, you will need specialists from strategic planning, financial management, budget, human resources, program areas, and a management analyst to assist you. Strategic planning sets organizational direction and articulates measurable program goals and objectives, the budget process plans for the funding to achieve these objectives, and human resources provides tools for identifying competencies needed in the workforce and for recruiting, developing, training, retaining, retraining, or placing employees to build the workforce of the future.

If working alone, notify subject-matter officials of this task and request their assistance when needed. Leadership should

appoint specific offices and individuals to serve as key players, including employees from any targeted occupational groups that the plan is examining. This is also the time to discuss the roles, responsibilities, and commitment of each team member. The following information should be addressed for each team member:

- Name of each member
- Occupational group represented
- Specific role
- Responsibility
- Time committed to projected

You are now ready to begin workforce planning according to the following steps that are outlined in the remainder of this manual. Again, be sure to refer to the Sample Workforce Plan in Appendix A when you need clarification of Process Steps 2-4.

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Step Two – Supply, Demand & Discrepancies

2.1 Data Collection

Workforce planners must gather a variety of information and data in order to conduct comprehensive workforce planning to determine future needs as well as the projected workforce supply. In order to paint the picture of the future, you should begin by:

1. Examining planning documents (strategic plans, performance plans, etc.)
2. Reviewing current and projected financial/budget information
3. Determining major planning issues (external influences, trends, and anticipated changes in budgets)
4. Developing assumptions and setting objectives accordingly.

The following sections will guide you in collecting all the data you will need to precede with the other steps in conducting a workforce plan analysis.

2.2 Define Scope of Data and WFP for Organization

Understand the scope of your study and exactly what information will help you develop a full workforce plan. It is recommended that you begin by identifying the Scope of Data and Scope of the Organization as outlined below:

SCOPE OF DATA

- Will the workforce plan focus on the entire organization, sub-unit, specific occupation, or functional area?
- Determine the number of years for which the workforce planning process will make projections (A 5 year plan is recommend.)
- Determine whether the "workforce" includes permanent, temporary, non-FTEs, contractors, volunteers, etc. [Note: This includes reviewing positions, organizations, and functions for possible outsourcing. It also involves looking for organizational delayering opportunities. It is recommended that all workers be included in the planning.]
- Examine diversity and/or cultural issues (ensure that the approach does not raise barriers for segments of the labor force)
- Identify baseline human resource and financial data, such as annual and projected budgets, FTE, etc., that will be used for the analysis.

Dealing with each of these issues will help you define the scope of your workforce analysis. This is a critical step in the beginning stages of understanding your workforce dynamics. While no formal protocol exists for capturing this information, it is recommended that these answers be documented as a section of the plan for future reference.

2.3 Collect Existing Documents

You will need to collect as many of the following documents/reports to assist you with understanding your organization's vision, outlook, and overall workforce dynamics:

- Strategic Plan(s) including Mission Statement(s)
- Organizational Performance Plan(s)
- Financial Report(s)
- Budget Reports
- Vision Statement(s)
- Organizational Long/Short Term Goals
- Organizational Objectives
- Affirmative Action Reports
- Workload Reports
- All Organizational Studies
- Organizational Charts
- Staffing Plans
- FAIR Act Submissions

Once you have collected these documents, follow the instructions below to analyze each document. This information will be referred to throughout the processes and will be the driving force behind each step and strategy hereafter.

2.4 Examining the Data

You will need to examine and analyze the data to determine future needs, changes, and direction within your organization. To assist in analyzing the data you have collected, answer the following questions using the information you have collected.

QUESTIONS THAT WILL IMPACT THE ANALYSIS

1. What changes are anticipated over the next _____ years regarding:
 - Mission, base functions, strategic goals and objectives, operational goals, etc.
 - Budget, trends and patterns. Do projected funding levels support positions and objectives? Are there any changes to your philosophy or approach to budgeting?
 - Impacts of internal and external environment (legislative changes, Departmental initiatives, social and economic trends.)
 - Planned FTE reductions or increases (what career fields, how many, etc.)
 - Labor force trends
 - Shifting skills/competencies
 - New technology innovations
 - Changes in organizational structures (including delayering, reorganizing/restructuring)
 - Outsourcing (contracting out)
 - Partnering
 - Use of volunteers
 - Privatizing elements of divisions
 - Duration of the projects and programs

2. How will these changes affect:
 - The volume, type and location of work to be performed
 - Organizational structure and design
 - Outsourcing decisions

- Mix of skills
 - Supervisory/manager employee ratios
 - Increasing/decreasing workforce staffing levels (FTEs and non-FTEs).
3. What is the planned organizational outlook for the future and how do you plan to meet those goals? Examine the workforce by analyzing:
- The number of FTE's needed in what organization and with what skills and competencies and by when?
 - Number and kinds of skills/competencies needed at each level of expertise (full performance, mid-level, trainees)
 - Number of supervisors/non-supervisors
 - Number of types of teams (teaming cultures and strategies)
 - Number of volunteers
 - Diversity objectives
 - Developmental needs
 - Positive education requirements
 - Certifications

This information will be needed when you determine your gap and analyze strategies and action items to address those gaps.

This section will focus on gathering information to analyze how the projected workforce supply will look by applying projected retirements and turnover to the current workforce. It will be based on workforce demographics and employment trends. Demographics include occupations, grade levels, organizational structure, race/national origin, gender, age, length of service, retirement eligibility, and similar information and will provide the necessary baselines for analysis. Trend analysis provides both descriptive and forecasting models which describes how turnover will affect the workforce in the absence of management action. Analysis can provide powerful predictors of how many employees will actually retire, resign or transfer. Workforce demographics data will provide a snapshot of your organization by organizing workforce data from the Federal Personnel Payroll System (FPPS) or Data Warehouse.

2.5 Data Assessment By Occupational Series

In order to analyze your current workforce and obtain a snapshot of your organization, you should collect data, as applicable, for each occupational series or for significant occupational series/grouping to determine the following:

1. *How many employees at each organizational level?*
2. *What is the grade structure for these series?*
3. *What is the average education level/grade/step/time in position for employees in this field?*
4. *What is the turnover rate? Are employees leaving DOI to transfer to other Federal agencies or private organizations?*
5. *Are employees in this field moving around within DOI?*
6. *Are employees retiring when eligible?*
7. *What is the predicted retirement count for the next five year?*
8. *What is the average age and years of service at retirement?*
9. *What are the gender/racial/age/disabilities statistics for this field?*
10. *How are volunteers utilized?*
11. *Can any of the work be outsourced?*

2.6 Data Collection Method

Information needed to analyze the workforce and answer all the questions cited above is available through electronic systems, such as FPPS, BRIO, FEDSCOPE (www.fedscope.opm.gov), and through the FPPS Data Warehouse. In special instances the Department can also assist with historical information from the Office of Personnel Management's Central Personnel Data File (CPDF).

Using the information below, you can obtain data sufficient to determine turnover rates, analyze retirement trends, anticipate future retirements, analyze the current total workforce, determine recruitment practices, and provide a snapshot of the entire series:

Steps for Collecting Data: – Obtain electronic human resources reports from FPPS that includes the following data elements:

- **Title:**

The title of each position within a career field.

- **Series:**

Information for the entire occupational series will be available, allowing you to analyze each occupation within the series separately or together.

- **Grade:**

This field allows you to analyze the current grade structure, percentages of higher grades versus lower grades, average length of service in a grade and the average grade of retirees.

- **Date of Birth (DOB)**

The DOB is needed to analyze retirement eligibility, average time-in-grade and age of new hires, retirees, etc.

- **Service Comp Date (SCD):**

SCD data is critical for analyzing retirement trends and years of experience for employees in certain grades and series

- **Gender:**

This information is useful in determining the gender structure of the career field, the typical hiring trends of males and females, and the career paths of both.

- **Race and National Origin (RNO):**

This information is useful in determining the race or national origin of employees. Employees of mixed race or national origin should be identified with the race or national origin with which they most closely associate themselves.

- **Type of Appointment:**

The type of appointment under which an employee is serving (competitive, excepted, Senior Excepted Service, temporary limited appointment, Temporary Appointment Pending Establishment of a Register (TAPER), seasonal, etc.).

- **Date of Retirement Eligibility:**

Gives the date employees will be eligible for retirement.

- **Nature of Action Code (NOAC):**

The NOAC will give you inclusive information regarding promotions, reassignment, lateral moves, accessions, conversions, and separations. You can then analyze trends for hiring, promotions, retirements and employee movements within DOI, either individually or grouped by series.

The Plans and Systems Division has developed reports from the Federal Personnel Payroll System (FPPS) that provide the information needed as cited above, with the FPPS Customer Support Center. These reports are available for your use

(using the information fields identified above) and you can easily access to them by requesting the appropriate report number. However, when requesting these reports, you will need to update the "series" field to the series applicable to your analysis and use your organization code.

2.7 Data Analysis

Now that you have collected the information above, you are ready to begin analyzing this information to answer the questions outlined in Section 4.1.

Follow these steps to prepare your data for analysis of your current workforce:

- a. Information is obtained from FPPS.
- b. From report: copy data (select, copy and paste) into a spreadsheet (either Excel or Lotus)
- c. In Excel or Lotus: block the data – then convert data to columns by choosing the following from the file menu: **Data – Text to Columns – Next - Finish**. The columns will then be divided by each data element.
- d. Once data has been converted to columns, block and copy all the text (or data).
- e. Then, open up a new worksheet
- f. Name the variable (or columns) the same as they appear in Excel or Lotus. For example: If the order of data elements is "grade, series, DOB, etc.", then name the sheet the same (grade, series, DOB, etc.).
- g. After the columns are named, paste the data from Excel. This creates a smooth transmittal of data because both columns match.

You are now ready to begin analyzing the data.

2.8 Conduct Skills/Competency Analysis

In order to understand whether your organization will have the skills needed in the future, you need to determine the skills/competencies of the current workforce. [Note: We recommend you not do analyze competencies until the second iteration of workforce planning in your organization. The first time you do workforce planning, concentrate on occupational series. This will allow you to access historical data and build a base-line from which you can later refine your requirements using a skills/competency analysis.]

Two key elements in identifying skills/competencies are:

- Workforce skill analysis, a process that described the skills/competencies required for today's work.
- Conducting workforce skill/competency analysis requires the leaders of an organization to anticipate how the nature of the organization's work will change, and then to identify future human resource requirements. (The process spans the supply analysis and demand analysis aspect of workforce planning).
- Job analysis, which collects information describing successful job performance.
- Job analysis focuses on tasks, responsibilities, knowledge and skill requirements as well as other criteria that contribute to successful job performance. Information obtained from employees in this process is used to identify skills/competencies.

Follow the steps outlined below to conduct a skills/competencies analysis:

1. Identify the job skills/competencies that will be required for future positions in your organization. A matrix can be used as a tool for identifying the skills/competencies that are or will be required for specific positions. This step will likely have been done at some point in the strategic planning, prior to the gap analysis.
2. Determine whether current employees possess the skills/competencies that will be required by the identified positions. This is the data likely to be missing other than in anecdotal ways or based on assumptions related to current grade and series. A skills assessment/competencies tool can be used to measure individual employee competencies.
3. Analyze the difference (if any) between current employee skills/competencies and future organizational needs.

The results of the skills analysis will help to identify potential retraining needs that employees in certain "excess" or "surplus" positions may require in order to transition into other positions within the organization. It will also help establish the focus of recruiting and training efforts.

Note: Many competency and skills analysis models, including automated tools, are available through commercial vendors.

2.9 Documentation of Projected Workforce

After determining the projected workforce that your organization will have based on retirements and natural attrition, complete the "Projected Supply" columns on the Gap Analysis Form in Table 5.1 contained in Step Five.

2.10 Project Needs

The information collected in step 1 will be used in this step to determine your organization's future needs in terms of specific skills/competencies needed, FTE's, etc. The mission, vision, goals, and objectives of the organization, which you have already identified in the previous steps, help define the workforce needed in the future.

An important part of the future needs forecasting process is the examination of the needed anticipated occupations, work the organization will do in the future, and how that work will be performed. In particular, computer systems and Internet technology will continue to impact how individuals and organizations perform in the future. To determine the organization's future needs, list needed skills based on the strategic plan, technology innovations, etc, based on the information collected in Step 1. Coordinate with a human resources management specialist who can identify the relevant series.

Also, agencies must incorporate the impact of the Federal Activities Inventory Reform Act (FAIR Act) on the future workforce. The FAIR Act requires agencies to yearly submit an inventory of all activities performed by Federal employees, those inherently governmental and those not inherently governmental in nature (i.e., commercial in nature). The FAIR Act seeks to achieve economy and enhance productivity and quality through competition to obtain the best service at the least cost to the American taxpayer. Federal policy regarding performance of commercial activities is outlined in OMB Circular A-76, Performance of Commercial Activities (www.whitehouse.gov/omb/circulars/).

2.11 Identifying Changes

The following questions will assist in identifying anticipated changes:

- 1. What changes are expected over the planned time period in mission, functions, strategic goals, and objectives? Will the program or organization's method of doing business change?*
- 2. What are the budget trends and patterns?*
- 3. Do projected funding levels support positions and objectives?*
- 4. Are there any changes expected in the number of FTEs?*
- 5. What factors in the internal and external environment will impact decisions (legislative changes, departmental initiatives, social/economic trends, etc.)*
- 6. What is the nature of the work to be done, in terms of volume, location and duration?*
- 7. Can these services be contracted (FAIR Act or outsourcing)?*
- 8. Will the use of retention allowances decrease critical turnover and help retain important skills?*
- 9. Can volunteers be utilized to a greater extent?*
- 10. Can the organization be restructured by using E-Gov? Can the organization be delayed? Can employees be moved closer to customers?*

2.12 Impact of Changes

Once you have identified the anticipated changes, ascertain how these changes will affect:

- o The amount, type, duration and location of work to be completed.
- o Organizational structure and design
- o The mix of skills/competencies
- o The supervisors/manager to non-supervisory employee ratio
- o Diversity initiatives
- o Increasing/decreasing workforce demands
- o Moving work to contingency workers and contracts

2.13 Documentation of Discrepancies

Document your projected need by title, series, grade, competency, and location, on the Gap Analysis Form on page 22.

2.14 Determine Gap

The gaps are identified as result of an analysis of the differences between the forecasted human resources needs and future human resource supply. This analysis reveals human resources surpluses and deficits in raw numbers, and will assist you with further planning for addressing these gaps.

2.15 Gap Analysis Form

If you have not already completed the Projected Need and Projected Supply on the Gap Analysis Form as indicated in the previous steps, complete the Gap Analysis form to identify gaps in meeting your future and current workforce needs.

2.16 Gap Calculation

Calculating the gap is important for identifying personnel and/or skills/competencies in the current workforce that will not meet future needs (need exceeds supply). It will determine whether the current workforce exceeds the needs of the future – supply exceeds need. There are also situations where the supply will meet the future needs, thus resulting in no gap or a difference between supply and need of zero. Depending upon how the supply and needs were determined and the level of specificity, the gap can be identified by specific title, series, grades, competencies, locations, etc. or any variation needed. The comparison requires that the skills/competencies sets developed in the supply analysis and demand analysis phase be comparable – not independently developed.

2.17 Gap Prioritization

Once you have identified the gap between future needs and projected workforce supply, you must consult with management to prioritize the significant gaps that have the most impact on organizational goals. Be aware that management may decide that having large "gaps" in particular series or skills may not be as important as planning for the anticipated retirement of a subject expert.

GAP ANALYSIS FORM																				
(employees only, not contingency workers)																				
TITLE	Series	FPL	FTE	Base	Projected Supply					Projected Need				GAP (+ or - no. of positions)			Comments/Remarks			
			Line		2000	2001	2002	2003	2004	2000	2001	2002	2003	2004	2000	2001	2002	2003	2004	

- *Can needed skills be obtained through sharing of resources?*
- *Cost-effectiveness of contracting, outsourcing or using volunteers.*
- *Implementation of career development programs.*
- *Are there ways to restructure by using E-Gov; delayer; move employees closer to customers?*

3.2 Identify and Prioritize Gaps

As stated in the previous section, prioritize and identify critical positions. Then, determine how each position will be filled.

3.3 Identify Strategies and Action Items

Determine strategies and specific action items to address gaps. Strategies are broad categorical statements whereas action items identify the specific person(s) responsible for implementing the strategy and when it will be accomplished. Examples of types of strategies to consider for addressing gaps include:

Strategy: Addressing Gaps with Surplus employees

- *Review the list of surplus positions available as outlined on your gap analysis worksheet. Then, review the skills of each of those positions. Once you have completed the analysis, determine which positions can transition into the gaps to be filled. To do this, consider: (1) Are these skills transferable to the positions/work requirements to be filled? (2) Can any of the positions to be filled by retaining employees (career development)?*
- *After you have identified positions to be filled and surplus positions, identify and document: (1) positions that can be converted into trainee positions (2) positions with the same skills needed; (3) positions that can be easily reclassified to the positions needed.*

Strategy: Partnership with academic institutions with high minority enrollments

This action item(s) could indicate that you would establish a memorandum of understanding with a Historically Black Colleges and Universities (HBCU), Hispanic Association of Colleges and Universities (HACU), National Association for Equal Opportunity in Higher Education (NAFEO) or the American Indian Higher Education Consortium, etc., institution as a means to develop a minority pool of candidates.

Strategy: Use Intern Programs to recruit

The Department has a systematic way for acquiring and developing entry-level employees for mission-critical career fields. These programs include:

- *Information Technology (IT) Development Program*
- *Acquisition Intern Program*
- *Biological Sciences Development Program*
- *Office of the Secretary Management Intern Program*

Strategy: Increase use of appointing authorities for recruitment

- A. *Intergovernmental Personnel Act (IPA) authority: Action item could indicate that you will increase the use of IPAs to bring molecular biologists and biomedical information system researchers from universities*
- B. *Presidential Management Intern Program (PMI Program)*
- C. *Student Career Experience Program (SCEP)*
- D. *Severely Physically Handicapped and Mentally Retarded Persons*
- E. *Disabled Veterans*
- F. *Veterans Readjustment Appointments (VRA)*
- G. *Outstanding Scholar Program*

Strategy: Use a variety of incentives/mechanisms to recruit and retain staff

4.1 Management, Leadership, and Support

Successful workforce planning requires the commitment and leadership of top management. Senior-level managers must lead the planning process, must assure that workforce plans are aligned with strategic direction, and must hold subordinate managers accountable for carrying out workforce planning and for using its products.

Workforce planning offers a means of systematically aligning organizational and program priorities with budgetary and human resources needs. By beginning the planning process with identified strategic objectives, managers and their organizations can develop workforce plans that will help them accomplish those objectives. At the same time, workforce plans provide a sound basis for justifying budget and staffing requests, since there is a clear connection between objectives, the budget, and the human resources needed to accomplish them.

4.2 Do I Need External Assistance?

Using a contractor consultant in carrying out workforce planning is optional, but may be desirable in some cases. An experienced contractor may provide a level of expertise in workforce planning that does not exist in the organization. In addition, a contractor may have a more detached view of issues than organization's employees and managers can provide.

The combination of experience and an outside view point can provide legitimacy for workforce planning that is not available to a strictly internal effort. However, care should be exercised on the recommendations from an outsider who may not understand the organizational culture and Federal requirements and realities. In addition to the cost of hiring a contractor, organizations should factor in the time it will take to provide the contractor with necessary background information on the organization.

Bureaus may also consider partnering with other bureaus or agencies to achieve their workforce planning goal. Partnering allows bureaus to share resources including budgetary, labor, knowledge, experience, lessons learned, etc. This may reduce the bureau's cost of hiring a contractor.

4.3 Conduct Recruitment, Hiring, and Placement

Given the increasing mobility that defines today's workforce, it is essential that organizations design, develop, and implement recruitment, hiring, and placement programs that are continuous, innovative, and targeted. These programs should be aligned with and supportive of the organization's strategic direction and provide a reflection of the organizational culture. The plan should outline the actions, steps, and timeline that:

- *Identify and "brand" the organization*
- *Create marketing materials reflecting the "brand"*
- *Determine timing, where, how, and when the marketing is conducted*
- *Identify competencies that will be targeted in the process*
- *Ensure candidate assessment tools are in place and "just-in-time" training regarding those tools is available.*

4.4 Implement Retention Strategies

Research has demonstrated that today's average employee stays on a particular job for average of 36 months. To avoid critical retention/succession situations created by this cycle, supervisors, managers, and organizational leaders must know and understand what valued employees want and need to become long-term assets, applying accumulated knowledge to the accomplishment of the agency's goals. A progressive retention plan should:

- *Determine those employees who are critical to accomplishment of organizational goals.*
- *Develop an infrastructure to provide constant feedback between these critical employees and supervisors/managers to determine what they want and need to become long-term assets to the organization.*
- *Develop a means of providing incentives and/or working conditions designed to retain valued employees. This system must provide an accurate measurement of the actual return on invest concerning the retention of valued*

employees.

4.5 OMB Circular No. A-76 and the Fair Act

Workforce planning can also aid in the implementation of Federal Activities Inventory Reform (FAIR) Act. The Fair Act directs Federal agencies to submit yearly inventories of all activities performed by federal employees, those inherently governmental and those not inherently governmental in nature (i.e., commercial in nature). The FAIR Act seeks to achieve economy and enhance productivity and quality through competition to obtain the best service at the least cost to the American taxpayer. Workforce planning can identify current work that can be moved to the private sector and help in delaying the management infrastructure in the Department.

OMB Circular No. A-76 provides guidance, policies, and procedures on implementing the FAIR Act that are to be used when the Government determines that a cost comparison between in-house (agency), contract or interservice support agreement (ISSA) performance is warranted. When implementing the FAIR Act, the following cost estimates should be considered:

In-House Costs

- Personnel
- Materials and Supply (raw material, parts, components, office supplies)
- Other Specifically Attributable (depreciation, cost of capital, rent, maintenance and repair, utilities, insurance, travel, etc)
- Overhead
- Additional (office and plant arrangements, transport, employee recruitment, training, relocation, and other expenses)

Contract or ISSA Performance Cost

- Contract/ISSA Price
- Contract Administration
- Additional (transportation or purchased services resulting from unusual or special circumstances that may be encountered in particular cost comparisons)
- One-time Conversion
- Gain on Assets
- Federal Income Taxes

OMB provides additional information regarding the Fair Act and OMB Circular No. A-76, on their website at www.whitehouse.gov/omb/circulars/

4.6 GPRA and Budget Information

The Government Performance Results Act (GPRA) requires agencies to prepare annual performance plans that set measurable goals defining what will be accomplished during a fiscal year. The DOI GPRA goals and performance measures focus on the outcomes and results DOI bureaus, offices and partners work to achieve through their many programs. These requirements have led bureaus and offices to establish goals such as the percentage of abandoned land reclaimed. An outcome-focused goal, such as this, is in agreement with the intent of GPRA.

Workforce planning provides the means for achieving overarching program goals. Program goals will not be achieved "without the right number of people with the right competencies in the right place at the right time." Workforce planning is a fundamental tool, critical to quality performance, which will contribute to the achievement of program objectives. As DOI bureaus and offices develop strategies that support the achievement of both long-term and annual program performance goals in the strategic and performance plans, they need to include management activities (such as workforce planning) as essential components of a broad-based management strategy.

In order to meet a goal (such as reclaiming abandoned land), as well as to present a strong justification to appropriators, DOI bureaus and offices should apply workforce planning methods and techniques in developing workforce requirements.

The Budget Office encourages bureaus/offices to include outputs of workforce planning (including their workforce analysis) as supporting documentation in their budget justification. This will optimize the Department's opportunities for success in the budget process.

4.7 Budget Submission Requirements

OMB sets requirements in OMB Circular A-11 to provide the link between dollars and personnel. A-11 requires agencies to submit the following type of information in their budget requests to Congress. Effective workforce plans should include information and documentation in each of these areas:

Required FTE's and Grades Costs (broken out by full-time permanent and other than full-time permanent status). *Include all positions including student programs (SCPE, STEP, WTOP, Coop, Summer Aids, etc.)*

Customer Service Costs. *Project costs for information collection, support tools, training, etc.*

EEO Program Costs. *Project costs involving training, awareness activities, recruiting programs, etc.*

Workforce Training and Development Costs. *Projected costs for tuition, travel, per diem, instructors, classrooms, equipment, books, training material, etc.*

Award Program Costs. *Annual sum of organization's performance management plan projects for award program. This will usually be a percentage of the total personnel compensation program (i.e. 1% of total personnel budget).*

Executive Selection and Development Program Costs. *Project cost for program administration, contractor support, training, travel, per diem, etc.*

Bonus and Allowances Costs. *Project costs for recruitment bonuses, relocation bonuses, and retention allowances.*

Relocation Costs. *Project costs for transportation, per diem, transportation of household goods, storage and care of household goods, allowances for home sale/purchase expenses, temporary quarters subsistence, reimbursement of income taxes, moving expenses, relocation service charges, etc.*

Recruitment Program Costs. *Project costs for publicity material, program administration, travel, per diem, school recruitment fees, etc.*

Downsizing Costs. *Project costs or voluntary separation incentive program (buy-outs), early-out retirements, severance pay, etc.*

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Step 5 - Monitor, Evaluate, Revise

5.1 Review of Outcomes

The WFP plan, especially the strategies and action items, should serve as a roadmap for managers to ensure the right people are in the right locations at the right time in order to achieve the organization's long-term and short-term goals. The outcomes should be continuously evaluated to determine progress in addressing the gaps and, specifically, where adjustments to the strategies and action items are needed.

5.2 Assessing Accomplishment and Effectiveness of Outcomes

There are many different methods to obtain feedback concerning the achievement of accomplishments and the effectiveness of outcomes. This information can be obtained via meetings, surveys, focus groups, review of accomplishment reports, etc. Regardless of the method, examples of questions to ask in order to determine whether the strategies and action items are effective include:

- *Were the actions and strategies completed and do they fulfill the goals?*
- *Did the action plan accomplish what was needed?*
- *If not, have the organization's strategies upon which the plan is based changed? Were their other factors preventing the obtainment of the goal?*
- *Are the assumptions of the need and supply models still valid?*
- *Have the conditions changed such that the strategies need to be revisited?*
- *Is there a need to modify the action items?*

5.3 Addressing Need for Adjustments to Strategies and Action Items

After the above analysis has been conducted, steps should be taken to remedy problems in implementing action items. Examples include:

- *Timeframe for implementation of action items may need to be changed*
- *Content of action items may need to be adjusted*
- *Deletion of action items because they may no longer be valid and/or feasible, e.g. budget, reorganization, etc.*
- *Persons responsible for action item may need to be changed*

5.4 Communicate Changes

Changes to the action items must be communicated to responsible individuals in a timely manner to allow for questions and clarification. Similarly, achievement of action items should be reflected in the organization's annual accomplishments and ultimately the fulfillment of strategic goals.

5.5 Dynamic Review of Process Steps

The WFP process is a continuous process of forecasting, clarifying, and identifying organizational workforce needs, assessing competencies, and implementing appropriate interventions. The process should be continuously evaluated to determine how well each of its component parts are functioning and where adjustments are needed.

5.6 Determining Effectiveness of Process Steps

Feedback should be obtained from participants and customers, including managers and top-level officials to determine the effectiveness of the WFP process in producing a useful product. This information can be obtain via a variety of information gathering methods such as interviews, focus groups, surveys, review of the quality of the workforce plan, etc. When ascertaining the effectiveness of the WFP process, examples of questions to ask include:

- *What was expected from this process?*
- *Did this process produce a plan that is useful to managers in support of the organization's strategic goals?*
- *What worked and why?*
- *Did the process work well as a team effort?*
- *If some of the steps did not work, how did you proceed?*
- *What didn't work and how could it be improved?*
- *Was there enough time to conduct WFP?*
- *Were the appropriate offices involved?*
- *Were adequate resources provided?*
- *Were the costs and saving estimates accurate?*

In addition there may be external and internal forces that precipitate changes to the process. Examples of these include reorganizations, redistribution of resources, new and/or changes to information data systems, budgetary and strategic planning cycle changes, etc.

5.7 Communicate Changes

1. *Appropriate actions should be taken to address process inefficiencies.*
2. *Any changes to the processes and subsequent impacts should be fully discussed and analyzed with the multi-disciplinary team to ensure the changes do not create unforeseen roadblocks.*
3. *Modifications to the processes should be communicated to everyone as soon as possible to ensure sufficient time for training and/or questions.*

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Summary

The following is a checklist that summarizes key elements of effective workforce planning.

<p>1. Vision. Identify the organization’s direction. Project the organizational configuration 5 years from now. Review and analyze the following:</p> <p>A. Program Plans for the future.</p> <p>_____ Anticipated program/mission changes</p> <p>_____ Anticipated volume, type and location of work to be done</p> <p>_____ Changes in organization/position structures</p> <p>_____ Past patterns/trends</p> <p>_____ Anticipated supervisory/managerial strengths</p> <p>_____ Skill mix of workers</p> <p>_____ Increasing/decreasing workforce demands</p> <p>B. Budget Situation.</p> <p>_____ Anticipated ceiling, budget philosophy, or goals</p> <p>_____ Funding levels</p> <p>_____ Trends/Patterns</p> <p>C. Anticipated Environment (Internal/External) Factors</p> <p>_____ Legislative changes</p> <p>_____ Technological changes</p>	<p>_____ Skills/grade levels</p> <p>_____ Position management</p> <p>_____ EEO profile</p> <p>_____ Under-staffing or over-staffing</p> <p>_____ Career progressions</p> <p>_____ Supervisory/managerial replacements</p> <p>4. Action Plan. Determine how your needs will be met by:</p> <p>A. Addressing serious shortfalls and critical issues. Establish human resource objectives</p> <p>B. Develop an action plan.</p> <p>_____ Internal sources of workers</p> <p>_____ Recruitment for external sources of workers</p> <p>_____ Job redesign</p> <p>_____ Training, retraining, career development</p> <p>_____ Succession planning</p> <p>_____ Competitive sourcing</p> <p>_____ Delaying</p>
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<p>_____ Social changes</p> <p>2. Current Resources. Determine the future availability of current workers by doing the following tasks:</p> <p>A. Conduct work force analyses.</p> <p>_____ Potential losses of current employees</p> <p>_____ Turnover data, retirement rates, retirement projections, promotion and award rates, etc.</p> <p>_____ Organization/position structures</p> <p>_____ Vacancies created by internal movement</p> <p>_____ EEO profiles</p> <p>_____ Supervisory/non-supervisory ratio data</p> <p>_____ Competitive sourcing</p> <p>3. Needed Resources. Identify anticipated shortfalls that need to be addressed.</p> <p>A. Forecast specific needs in light of mission needs and vision. Forecast overall numbers by occupations</p> <p>_____ By grades</p> <p>_____ By location of positions if applicable</p> <p>B. Compare current available resources with needed resources for the future.</p> <p>_____ Net human resource needs</p> <p>_____ Increase/decrease in productivity levels</p>	<p>_____ Volunteers</p> <p>_____ Productivity improvement</p> <p>_____ Restructuring (organization/positions)</p> <p>_____ Position management plan</p> <p>C. Develop a plan for handling Labor Management Issues (if appropriate)</p> <p>_____ Legal and contractual requirements</p> <p>_____ Employee involvement</p> <p>_____ Negotiations</p> <p>_____ Potential for adverse outcomes</p> <p>_____ Union-Management relations climate</p> <p>5. Cost Implications. Identify items with cost implications.</p> <p>Project an annual budget by:</p> <p>A. Costing out the items requiring monetary support.</p> <p>_____ Grade distribution</p> <p>_____ Recruiting</p> <p>_____ Training, retraining, career management</p> <p>_____ Succession planning, layering cost</p> <p>_____ Relocation costs, reorganizing cost</p> <p>_____ Increased or decreased staffing</p>
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<h2 style="margin: 0;"><u>APPENDIX</u></h2>
<p>Appendix A - Sample Workforce Plan</p> <p>Appendix B - OMB Budget Requirements</p> <p>Appendix C - Glossary of Terms</p> <p>Appendix D - References and Sources</p> <p>Appendix E - Workload Analysis General Concepts</p>

[Appendix F - Competency/Skills Assessment General Concepts](#)