

IS THE SILVER TSUNAMI THE NEXT PREVENTABLE DISASTER?
AN EXPLORATION OF CALIFORNIA STATE AGENCIES WORKFORCE
PLANNING EFFORTS

A Thesis

Presented to the faculty of the Department of Public Policy and Administration
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by

Brent James Houser

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Abstract

of

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California's executive agencies continue to experience a growing number of older employees. The threat of these employees retiring and agencies experiencing the loss of their most trained and experienced staff presents a high risk for departments to implement essential services to Californians. In addition, California's non-working population (under 18 and over 65) is steadily increasing, which may demand more services from California state government.

This thesis explores to what extent California state agencies are adequately planning for the possibility of a major exit of baby boomers from the state workforce. The goal is to identify the extent and quality of workforce planning in California state agencies. Additionally, I aim to identify factors that both encourage and discourage agencies from engaging in such planning.

I explored workforce planning in California departments using two methods. First, I acquired a sample of five publically available department workforce plans. The five

workforce plans served as my sample to assess the quality of workforce planning by California departments. My analysis of the five workforce plans was guided by a rubric I developed based on the existing literature on workforce planning. Secondly, I interviewed representatives spanning seven departments to gain a greater understanding of what encouraged or discouraged those departments to invest resources in workforce planning.

Those departments engaged in workforce planning demonstrated a number of positive features such as executive support, alignment with strategic planning, and data collection. In addition, California departments revealed challenges with workforce planning such as balancing competing priorities and not having adequate expertise in workforce planning. However, this study also discovered a majority of California departments are not developing workforce plans; this is an opportunity for improvement. I identified a number of policy recommendations aimed at increasing the number of agencies completing workforce plans and improving the quality of workforce planning for all departments.

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Chapter 1

INTRODUCTION

Is the Silver Tsunami the Next Preventable Disaster?

Recently, there has been continuous dialogue regarding the aging workforce, also known as the “silver tsunami.” The baby boomer generation is growing older and is comprised of a large portion of the nation’s workforce. In 2015, employees over the age of 55 comprised 23 percent of the United States (US) workforce (US Bureau of Labor Statistics, 2016). California is not immune to the aging workforce trend, particularly at the state government level, which is the largest employer in the state. As of May 2015, approximately 41 percent of 190,000 California state employees are 50 years or older (California State Auditor, 2015). In most cases, 50 years is the youngest an employee may retire from California state service (California Public Employees’ Retirement System (CalPERS, 2017)). As the workforce grows older and retires, this leaves the US and California at risk of losing a large portion of its trained public sector workforce. This trend effectively threatens the government’s ability to adequately provide public services. While an aging workforce may negatively impact both the public and private sectors, my research interest is in California’s public sector as a current employee of a state department implementing crucial public safety services.

The threat of not having enough people to fill key positions to provide essential governmental services is a major concern for many including the media, academics, public sector leaders, and myself. The potential loss of employees has several implications for California’s public sector and how it must plan now to be in position to

serve California's existing and future needs. Yet, despite the potential impact of a "silver tsunami," workforce planning in California state agencies is a relatively unexplored issue. The California Department of Human Resources (CalHR) is responsible for human resource management and has begun to implement workforce planning efforts across state government. Efforts include developing and disseminating resources including workforce planning models, toolkits, and presentations. However, there is not much available information related to what specific departments are doing, if they are doing anything at all.

Because workforce planning is relatively unexplored, I think this is an area ripe for research. My research question that I will be looking to address with my thesis is: To what extent, if any, are California state agencies adequately planning for the possibility of a major exit of baby boomers from the state workforce? The goal of this thesis is to identify the extent and quality of workforce planning in California state agencies; to identify factors that both encourage and discourage agencies from engaging in such planning; and to recommend ways that might lead to improved workforce planning in the future.

Workforce Planning: Why Now?

The baby boomers are growing older and impending retirements are inevitable for the US workforce. The trend of the aging workforce is projected to continue increasing, as those age 55 and older are projected to make up 25 percent of the entire US workforce by 2020, compared to only 13 percent in 2000 (Stanford University, 2014). By 2050, the

US Census anticipates the workforce made up of those between the ages of 25-54 is projected to grow minimally at a rate of two percent compared to a 75 percent growth rate for those 65 and older (US Department of Labor, 2013). The aging workforce presents challenges in terms of how organizations will fill the gaps created by retiring employees. Without talented and experienced employees with institutional knowledge, organizations' effectiveness and success are at risk.

It is important to acknowledge that the baby boomer generation growing older and retiring is not a new topic. Government at different levels has been aware of this issue considering the first year the baby boomer generation was eligible for retirement was 2001 (Adelsberger, 1998). I hope to build on the previous and existing research, specific to California state government and identify what has resulted from these concerns.

The California State Auditor (CSA) is authorized to establish a process for identifying state departments that are at high risk for potential waste, fraud, abuse, and mismanagement. CSA (2016) has identified the impact of an aging workforce as a high risk for California since 2007 and ongoing with its most recent report in 2015. While first documenting the problem of an aging workforce and the potential loss of a critical part of California's public sector workforce, not much progress has been made since its last report.

While minimal progress is being made to address the workforce trend, the number of California state employees eligible for retirement continues to increase. Identified in Figure 1 below, employees that are age 50 or older comprise a larger and larger percentage of the workforce. The percentage has increased since 1988 from about 23

percent to 41 percent in 2015, which represents an increase from approximately 30,771 to 76,478 employees (CSA, 2015). By knowing the total number of employees from a given year and the percentage of employees in each age group, I am able to determine the number of employees in each age group across the three years compared.

Figure 1: California State Employees by Age Group

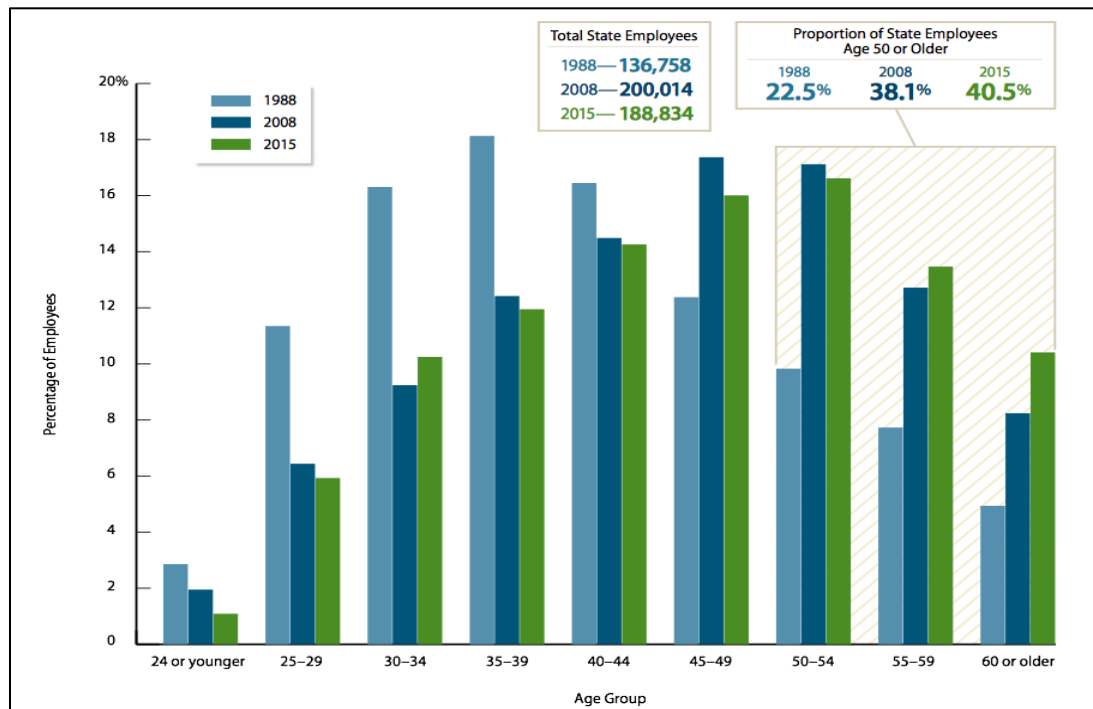


Figure 1 includes permanent, full-time employees of California executive agencies, and does not include data for the Legislature or education system such as the University of California or California State University system. While the percentage of older employees is rising, the percentage of middle-aged employees is slightly decreasing. Compared to 2008, the percentage of employees in age groups of 35-39, 40-44, and 45-49 has slightly decreased, which may suggest there are fewer employees to fill the gaps created by the employees retiring (CSA, 2015). In 2008, about 17.5 percent of employees (approximately 35,000 employees) were in the 45-49 age group compared to

only 16 percent of employees (approximately 30,000 employees) in 2015. These age groups would presumably be the next in line to fill leadership positions vacated by retirees, however there are slightly less individuals in these age ranges. This presents a risk of employees unavailable or unprepared for leadership roles as the number of older employees continues to grow.

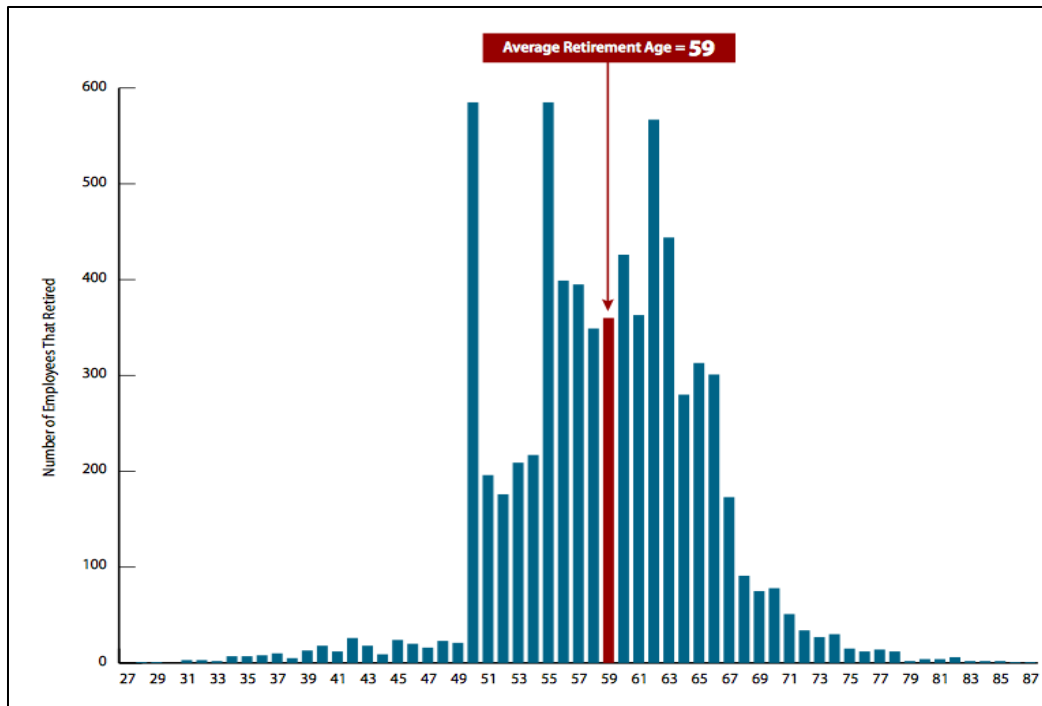
In addition to reviewing the increasing number of aging employees in California, I wanted to analyze the retirement trends of California state employees. Between fiscal year (FY) 2009-10 through FY 2014-15, over 175,000 employees retired from CalPERS, of which 61,396 were from state agencies (CalPERS, 2015). Table 1 below shows the number of retirements from FY 2009-10 through FY 2014-15. It appears there has been a decline in the number of retirees in the most recent FYs from which data is available. This may signify a slower rate of baby boomers retiring and exiting the workforce. Given the slightly lower amounts of retirees in recent FYs, California has a window of opportunity to thoughtfully complete workforce planning and address this issue over a period of time as opposed to all baby boomers retiring at once.

Table 1: Number of Retirements from FY 2009-10 through 2014-15

Fiscal Year (FY)	Number of Retirements (All CalPERS)	Number of Retirements (State Government)
2014-15	24,239	9,095
2013-14	27,540	8,884
2012-13	30,971	10,821
2011-12	29,999	10,296
2010-11	32,630	11,566
2009-10	30,119	10,734
Total	175,498	61,396

While the number of employees retiring from state service may have decreased annually, another data element to evaluate is at what ages do state employees retire. According to CSA (2015), there are spikes in retirement at ages 50, 55 and 62, with the average retirement age of 59. Figure 2 illustrates the number of retirees from 2013 through 2014 by age (CSA, 2015).

Figure 2: Retirement Age of Employees from 2013 through 2014



Not all employees are eligible or interested in retiring at age 50, however, the sheer number of employees at this age and the volume that do indeed retire at 50 does pose a risk of departments losing some key employees. The ongoing aging workforce trend and retirements pose a risk to departments, as older employees are the state's most experienced workers.

Of even greater concern than the general trend of an aging workforce are vacancies in leadership and management positions. According to CalHR (2016), about 51 percent of current managers and supervisors are eligible for retirement. For Career Executive Assignment positions, those primarily responsible for developing and implementing department policy, about 69 percent are eligible for retirement. While it would be inaccurate to assume that all of these employees or even a majority would retire now, it is of great concern that a large number of them can actually retire. From 2010 to 2015, the total number of retired members (no longer working) under the California Public Employees' Retirement System (CalPERS) has grown 21 percent from 505,862 to 611,078 (State Controllers Office, 2016). The need to explore and understand what state agencies are doing in relation to losing their most experienced employees is critical to ensure California can maintain its services provided to the public.

Given California state agencies' growing trend of an aging workforce, public sector organizations are becoming more interested and concerned with this trend. A survey conducted by the Center for State and Local Government Excellence (2014) was sent to all members of the International Public Management Association for Human Resources and the National Association of State Personnel Executives. Approximately 300 responses were received and most of the findings were related to concerns with workforce trends and challenges. One of the key findings identified was that nearly half of the organizations experienced more retirements than the previous year, from 2012 to 2013. In addition, nearly all of the agencies were concerned with recruitment and retention of qualified personnel and staff development. The third highest ranked concern

was the need for workforce and succession plans (Center for State and Local Government Excellence, 2014). The results of this survey show that organizations are interested in workforce planning. However, it is not clear what public sector organizations are doing about it or if there is something that is preventing their proactive planning.

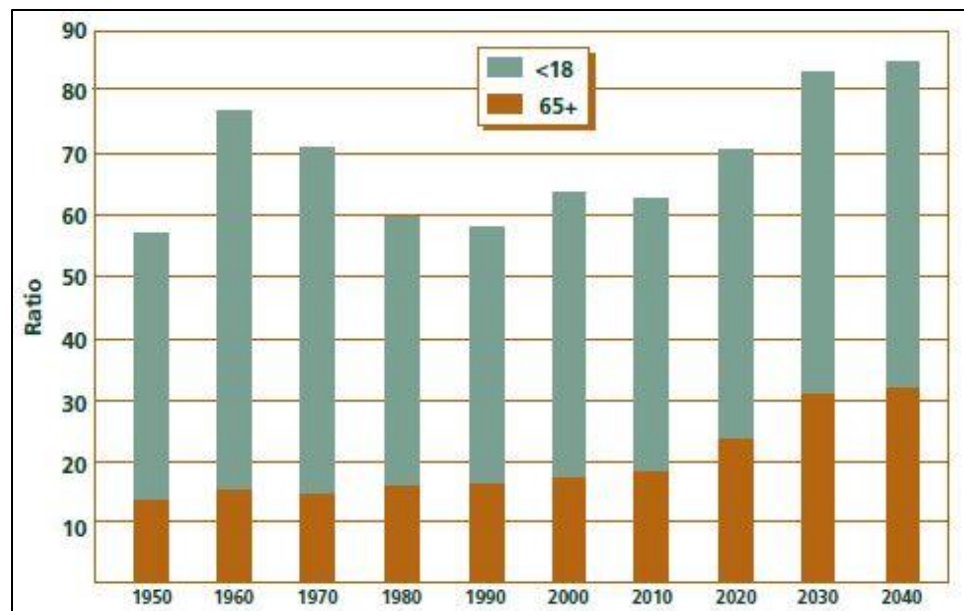
Other Demographic Challenges Facing California

There are additional demographic challenges California must cope with that demonstrate the value of exploring workforce planning. This section will focus on two distinct demographic trends: 1) California's overall population is growing at both ends of the age spectrum; and 2) preparing for the millennial generation of workers.

California's oldest and youngest age groups are both growing simultaneously, which may further constrain California's public sector. By 2030, about one third of Californians will be over 50 and the proportion of California's population above 65 is increasing. The number of individuals at age 65 and older will have increased from 11 percent of the population in 1988 to 17 percent by 2030 (Public Policy Institute of California (PPIC), 2000). In addition, California is also experiencing an increase in those 18 and under, so some of the fastest growing age groups are those that are not presently in the workforce (PPIC, 2000). PPIC (2000) developed a metric known as the dependency ratio, which is the number of nonworking individuals, such as those under 18 and over 65, for every 100 people of working age. The intent of this metric is to serve as an indicator of a population's potential to support nonworking members of its society. As noted in Figure 3 below, California's dependency ratio is on an upward trend since 2010

demonstrating a potential challenge of the existing workforce's ability to support the rest of the population. The dependency ratio is an indicator of a population's ability to support individuals of nonworking age. Figure 3 reflects a growing dependency ratio in California, which means the population of nonworking individuals is growing or the number of working age individuals is getting smaller (PPIC, 2000).

Figure 3: California's Dependency Ratio from 1950-2040



California's public sector may be dependent on a smaller proportion of working age individuals to support programs for residents over 65 and under 18. California has a need to have effective employees to cope with an increase in services and workforce planning is the process to support that effort.

California administers critical services aimed at those over 65. About 24 percent of California's Medi-Cal payments and one in every three Supplemental Security Income payments are made to older adults (PPIC, 2000). According to the University of California, Berkeley (2015), about thirty percent of older adults do not have enough

income to cover their basic needs, which means they have a greater reliance on public services. As California continues to grow older and individuals live longer, government must consider how to adequately prepare to provide enough services to support the population's quality of life.

Another demographic shift that makes workforce planning timely is the need to analyze the millennial workforce, as it will become a sizeable portion of the public sector workforce in the future. By 2025, millennials will make up approximately three fourths of the existing workforce, making it worthwhile to assess what motivates this generation and its behavioral patterns (CalHR, 2015). In addition, there may up to four generations working in one organization with the traditionalists (very few), baby boomers, generation x, and millennials; all of whom must work productively as team.

Millennials may pose unique challenges that organizations are recently experiencing and can benefit from if they investigate those challenges further. Analyzing the millennial workforce may help inform future policy decisions as it relates to workforce polices, such as recruitment and retention. Some key aspects of the millennial generation is that it is more diverse than previous generations in terms of ethnicity and race. Millennials are also more educated than previous generations (Pew Research Center, 2010). In addition, this generation is dependent upon technology. A study conducted by the Pew Research Center (2010) of millennials, reported that eight out of ten respondents slept with a cell phone by the bed. Workforce planning includes delving into these issues to better understand this generation of employees and how organizations can adapt to maximize their employees' productivity and keep them in the workforce.

Proper Workforce Planning Prevents Poor Performance

Workforce planning plays a critical role in an organization's ability to effectively meet their mission, goals and objectives (The Rand Corporation, 2009). According to CalHR (2016), workforce planning consists of having the right number of employees with the correct skills in the appropriate positions at the precise time. Workforce planning is the overall process to ensure an organization's existing and future workforce aligns with its strategic plan. Specific workforce planning strategies include the following topics: succession planning, recruitment, retention, and employee development. However, to determine which strategy is needed, workforce planning also consists of gathering existing data of its workforce and projecting future needs (CalHR, 2016). Specifically, CalHR (2016) has developed a five-step model that describes the major steps in workforce planning, which are outlined in Table 2.

Table 2: CalHR's Workforce Planning Model

Step	Phase Description
Step 1: Plan	Identify the Strategic Direction for the Workforce Plan
Step 2: Analyze	Gather and Analyze Organizational Data
Step 3: Develop	Develop Workforce Strategies and Plan
Step 4: Implement	Implement Strategies
Step 5: Evaluate	Evaluate the Workforce Plan

This workforce planning model aims to support an organization's ability to ensure it has a competent and prepared workforce to meet their existing and future needs (CalHR, 2016).

While workforce planning has become a buzzword given the potential mass exodus of individuals retiring now and in the coming years, it is of value to public organizations for several additional reasons. In the following paragraphs, I will discuss the value of workforce planning as it relates to succession planning and strategic planning while tying it back to how workforce planning can mitigate any risks associated with government employees retiring and taking their expertise with them.

Internal Focus: The Value of Succession Planning

Succession planning is one type of workforce planning strategy that focuses on internal resources to address workforce gaps or other specific challenges, like the loss of institutional knowledge (Kiyonaga, 2004). Succession planning is a process that involves identifying and developing current employees with the potential to fill key leadership positions, identifying competency gaps, and developing strategies to address any problems or opportunities (CalHR, 2016). Succession planning can be valuable to a public organization because it ensures a continuity of services when employee turnover occurs and it signals an investment in an organization's current employee development (Fredericksen, 2010). If a department does not employ regular succession planning, it may lose the ability to provide quality services. As the demand for public services increases, governments must be able to implement key programs with quality leadership to meet the needs of its citizens (Kiyonaga, 2004).

Furthermore, succession planning is maximized when it is done proactively, as opposed to in reaction to losing valuable leaders within an organization. Often times,

public-sector organizations have utilized succession planning more as a reactive exercise to employee turnover rather than the opportunity to plan accordingly to mitigate any future risks associated with losing a key part of the workforce. Public sector organizations can be more effective if they are continuously investing in their employees and training them for critical roles before those roles become vacant (Center for State and Local Government Excellence, 2014).

Mission Critical: Aligning Strategic Planning With Workforce Planning

Strategic planning is a common practice for most organizations including the public sector. While there may be differing opinions on how to conduct strategic planning or its effectiveness, it can contribute to how organizations think about policy problems, set objectives, identify alternatives, and develop strategies to combat challenges (Wolf and Floyd, 2013; The Rand Corporation, 2009). CalHR (2016) states the relationship between workforce planning and strategic planning,

“Workforce planning depends upon, complements and logically follows strategic planning. Strategic planning assists in mapping where you are, where you are going, and how you plan to get there. Workforce planning identifies staffing and competency needs and strategies required for you to achieve your strategic goals.”

Workforce planning aligns with strategic planning because an organization must allocate its resources properly in order to effectively achieve its goals. Staff is one of the most valuable resources available to organizations. Therefore, organizations must think strategically about how to best use those resources to provide quality services to the public.

If the workforce does not match with an organization's strategic plan, the organization may fail to meet its mission and goals. According to Light (2014), who studied 41 instances of government failure in the US from 2001 to 2014, organizational instances of failure can be grouped in five major categories: 1) policy; 2) resources; 3) structure; 4) leadership; and 5) culture. While all five categories may potentially be indirectly related to workforce planning, the resource and leadership category directly relate to the need for workforce planning. Related to the resource type of failure, if government does not have enough staff or the right staff then they may be at jeopardy of failing to meet their policy objectives (Light, 2014). The second type of government failure relates to a lack of leadership and how that negatively impacts an organization's performance. In workforce planning, filling leadership roles with prepared employees is a critical component. Being prepared to fill those key roles ensures that there is not only continuity in services performed, but also ensures the leader is equipped for future challenges.

Organization of Thesis

California is uniquely positioned to act now so that departments are at the forefront of preparing their workforce to maintain and improve service delivery. The workforce is aging and there are a steady number of retirements leaving potential gaps in the workforce. Workforce planning provides tangible benefits such as an internal focus on leadership development and the ability to allocate human resources effectively, which help departments to cope with an increasing need to provide services. Because of this, I

want to research to what extent agencies are conducting workforce planning and make recommendations to facilitate effective planning efforts moving forward.

This thesis will be organized in four remaining chapters. In Chapter 2, I will summarize existing literature from experts and academics on workforce planning, including best practices. In Chapter 3, I will describe the methodology utilized to assess the extent and with what quality California departments are addressing workforce planning. In Chapter 4, I will describe the results of my investigation. In Chapter 5, I will discuss important takeaways and provide implications for California moving forward.

Chapter 2

LITERATURE REVIEW

Given the challenges an aging workforce presents, I am interested in researching workforce planning strategies that may effectively thwart this looming problem from becoming reality. This literature review will analyze articles that focus on effective strategies to ensure there are an adequate number of employees in the right positions so that public sector organizations can meet their intended goals. Through a review of existing research on workforce planning, three key areas emerged as leading elements of successful workforce planning: 1) leadership development within an organization; 2) an efficient recruitment process; and 3) motivational factors in employee retention. This literature review will examine each of these themes. In addition, I will summarize key findings by California oversight agencies related to workforce planning, as they build on the existing literature and make specific recommendations to improve California's workforce planning.

Planning Today for a Better Tomorrow: It Starts at the Top

Organizations need to develop leaders within their organization to be successful. Whether that is to combat a pending large number of employees retiring, cope with turbulent financial times, or to continuously improve performance, leaders are a driving force of advancing an organization's vision and goals. This section of the literature review focuses on the value and best practices of leadership development in organizations as a part of their strategy for workforce planning.

Long-term Planning for Leadership Development

Effective leadership development needs a long-term focus (Lynn, 2001). Yet through the use of surveys and focus groups, Lynn (2001) found that 82 percent of human resource directors of public and non-profit organizations said they filled leadership gaps on an ad-hoc basis when needed. Only seven of 48 participants in this study reported having a leadership program in place.

Public sector organizations tend to rely on the civil service process of open competition, testing mechanisms, and seniority to select leaders instead of proactively developing leaders from within. However, Lynn (2001) argues that leadership development cannot simply be a reactive task to fill a single vacancy, but it must be a long-term planning process to be effective. In the public sector, organizations rely on open competition, a testing process and seniority to determine qualifications to fill a vacancy once it occurs (Lynn, 2001). Compared to the private sector, which may also share principles of competitive aptitude testing, there is more of an apparent focus on identifying talent early in an individual's career and making a conscientious effort to professionally grow that individual to meet the future leadership gaps (Lynn, 2001). This results in a pipeline that ensures employees are prepared to fill leadership positions when they arise.

Groves (2007) expands on the argument that strong organizations, such as Bank of America and Dow Chemicals have a more proactive approach. These organizations focus on developing leadership as a core function of their organization, instead of trying to replace leaders when vacancies occur. Specifically, best practices of leadership

development include an emphasis on anonymous feedback by managers and peers, executive coaching, mentoring, networking, strategic job assignments, and action learning (Groves, 2007). All of these suggested practices take a significant investment of the organization's time and resources. Therefore, they cannot be completed on an ad-hoc basis once a vacancy occurs.

Marriage of Succession Planning and Leadership Development

Succession planning focuses on developing internal organizational resources to fill key leadership positions or areas of high need. A benefit of that process is focusing on preparing employees to take over leadership positions so when turnover occurs, employees can excel in those leadership roles. According to Kiyonaga (2004), succession planning is not just about filling the positions, but investing in employees through a variety of techniques such as training, mentorship, and coaching so employees are adequately prepared to perform. Succession planning mitigates the risk of losing a highly trained workforce because employers cannot assume they can always re-hire employees that just retired, that the most talented employees will just rise to the occasion, or that training can solve all of these issues (Ibarra, 2006). While the aforementioned reasons can assist with the potential workforce shortages, those are short-term approaches that lack the long-term benefits of succession planning. Succession planning is a tool available to organizations to invest internal resources to be prepared for the future demands of their constituents. Furthermore, Getha-Taylor and Ingram (2004) suggest that employees who participate in and complete a leadership development program are more

invested in their organization and motivated to meet its long-term goals. The articles reviewed in this section identify the necessity of developing a leadership program as an essential component to succession planning.

While Getha-Taylor and Ingram (2004) acknowledge there is no single-best leadership development model that is generally applicable to all types of organizations, there are existing models that seem effective at least in some circumstances. The Office of Personnel Management (OPM) of the federal government has embarked on regular leadership training for decades. OPM has utilized five core competencies to develop leaders, which are the following: leading change, leading people, be results driven, have business acumen, and build coalitions (Getha-Taylor and Ingram, 2004). This article's research reviewed documents from federal departments and conducted in-depth interviews with 30 agencies located in Washington, D.C. While different federal agencies' leadership models varied depending on each organization's needs and goals, the five core competencies remained consistent to drive the leadership program.

Lynn (2001) provides a framework that merges the concepts of succession planning and leadership development. The first phase of her framework is organizational assessment, which identifies the organization's strengths, weaknesses, and future needs. Second, the organization must simultaneously identify what current employee(s) align with the organization's assessment findings and define job duties to help achieve the organizational goals. Now that there are position requirements defined and an existing employee to match those requirements, an organization must provide ongoing development and assessment of a given employee to enhance his or her ability.

Management must monitor the employee's growth to ensure it is an appropriate fit for both the organization and the employee. Pending the performance of the employee, the candidate is selected for the long-term. Built into this model of employee development and succession planning is consistent leadership training and development, however, also aligns with the organization's top needs.

Effective Recruitment is Not Just About Marketing

This section of the literature review identifies the strengths and weaknesses of the recruitment process in the civil service system and the value of bringing in new people into the organization to fill key positions. While all articles vary in their specific scope, each identified important factors to consider when bringing new employees into an organization. After a review of these articles, three major components were identified in the hiring process: 1) job design and classification; 2) the actual recruitment/advertisement of the job; and 3) the candidate selection process.

Job Design: Defining the Duties Before Recruiting the Candidate

Before advertising for a position, the scope of duties must be considered (Oldham, 2016). If an organization experiences a vacancy or a new position is created, there must be a perceived need for work to be completed. However, before recruiting individuals to do a job, the job must be defined. Oldham (2016), describes the evolution of job design beginning with scientific management. According to Oldham (2016), the goal of scientific management was to design simplified tasks so that employees knew

exactly what they were doing and could perform that repetitive task well. Other principles that succeeded the scientific management principles were surrounding job characteristics and how those could help an employee achieve a higher level of success. Such attributes to consider in job design were task variety and task significance. These characteristics may influence how well someone performs in a job prior to recruitment. Oldham (2016) suggests that an organization must identify what the responsibilities of the position are and then recruit someone with experience that aligns with those responsibilities.

In California's civil service system, positions are classified based on their scope of duties. Job classifications then allow the employer to identify the minimum qualifications, pay range, and duties that an employee is responsible for (Cheever, 2011). Positions are broadly classified from disciplines such as scientists, program analysts, and auditors. One of the challenges of job classifications in the civil service system has to do with the narrow scope of the job duties (LHC, 1999). The rigidity of job classification potentially leaves little flexibility to public managers because an employee cannot conduct responsibilities outside of their classification even if they may be interested, qualified and it is of high need. According to the California Performance Review (CPR), California has over 4,400 job classifications and about one third of those classifications have five or fewer employees (CPR, 2004). Furthermore, over 1,000 job classifications had no current employees, which signals that the current set of classifications could be consolidated with an emphasis on flexibility (CPR, 2004). For hiring supervisors, job classification is one aspect of the hiring process that must be completed prior to the actual job posting.

Advertising the Position: What Message is Your Organization Sending?

After a position is designed, the recruitment may be advertised. Cheever (2011) describes the recruitment process within the California state civil service system, which has evolved over time. She suggests the California civil service system intends to be a fair and competitive selection process, but flaws in the recruiting process prevent qualified applicants from actually applying. One of the overarching problems is that California's process lacks an overall external recruitment effort. If someone is not already employed within the system, it is hard to know where, how, and when to apply. The California recruitment effort is largely decentralized for each individual department and assumes that future job applicants know how to apply. Cheever (2011) states that the most common entry-level position for college graduates is the staff services analyst classification. However, between 1999 and 2004, only 6 percent of the 7,600 open positions for that classification were filled by new hires from outside of state service. The trend of not hiring from outside of state service continues with higher level positions. The manager of a staff service analyst is a staff services manager and between 1999 and 2004, zero staff service managers from outside of state service were hired out of the 2,592 open positions (Little Hoover Commission, 2005). While this may reflect an important investment in current state employees, there appears to be an untapped talent pool from local universities or other potential venues for highly qualified applicants.

Cheever (2011) recommends that California must focus more on a targeted recruitment approach to colleges and universities. This coincides with a more robust and centralized recruitment strategy needing to be deployed by the state to look beyond just

those within state service for qualified applicants (Cheever, 2011). As opposed to each department conducting their recruitment, California needs a more centralized approach to fill hard-to-recruit positions. As part of the workforce planning process, a centralized recruitment strategy may yield greater results, as there are classifications such as the staff services analyst and manager positions, which span across many departments.

While there may be a lack of a coordinated recruitment effort statewide, there are also issues with one-size fits all approach to recruiting and messaging about vacancies. There are strategies for targeting nontraditional demographics into the workplace that may be more effective than a uniform advertising approach. Examples of such nontraditional demographic groups currently focused on are older baby boomers, generation Xers and minority ethnic groups (Doverspike, McKay, Shultz & Taylor, 2000). While baby boomers have been in the workforce for years and could be highly knowledgeable in the subject matter, they may be turned off by recruitment efforts that appear to be geared towards younger employees. For example, if recruitment flyers or job postings only include pictures of younger adults, that may inadvertently signal to the older baby boomer that the organization does not value older employees. Furthermore, for minority recruitment efforts in the public or private sector, there needs to be more outreach at community events, training centers and educational institutions that have minority recruiters (Doverspike et. al, 2000). Overall, this article explains the importance of not only what message is being sent to potential applicants, but also how the message is sent can impact who chooses to apply.

The federal government has recently responded to challenges in its workforce by taking on an End-to-End Hiring Roadmap initiative, which includes recruitment as a major component. Similar to Cheever's (2011) criticism regarding the lack of an overall coordinated effort by California, Llorens (2009) describes the federal government's End-to-End Roadmap initiative. One of the goals of the initiative is to combat the lack of a centralized recruitment effort. The key component of the recruitment aspects of this initiative are establishing an agency brand, developing a deployable recruitment team, and developing innovative strategies to recruit the best talent to the federal workforce. One of the critiques by Llorens (2009) of the recruitment part of this initiative is that while the federal government is trying to create a unique brand and innovative strategies, their human resource efforts are still dispersed structurally. This is due to each agency working in isolation rather than having a more centralized approach, similar to OPM's initiative.

Over Emphasis on Merit Leading to Inefficient Selection Process

This section focuses on the selection process within the overall hiring process. However, in the federal and state level, potential applicants often times must go through an examination or aptitude test to clearly demonstrate their eligibility for a certain job classification. The goal of the public sector is to emphasize a selection process that is nondiscriminatory and purely based on merit. While these are worthy goals, they have led to an inefficient selection process.

At the state level, Cheever (2011) argues that examinations are expensive and ineffective in terms of ensuring the most qualified applicants actually apply.

Examinations were decentralized in an effort to improve costs and save time. The Little Hoover Commission argued that the extensive examination development and implementation process incentivizes departments to offer only internal promotional exams, thereby reducing recruitment efforts toward outside applicants (Cheever, 2011).

The examinations can serve as a deterrent for potential applicants because the examination process assumes applicants can figure out how to take the exam and understand the components of the exam in order to prepare (Cheever, 2011).

Furthermore, Cheever (2011) suggests the state should reconsider its policy on veterans' preference points. There may be more qualified applicants during the examination process, however, were not considered due to not ranking as high as a veteran. This practice of additional points may undermine the merit-based principles of civil service.

In addition, there are certain times that exams are open and closed depending on the department, which frequently do not align with when vacancies actually occur. The results of examinations rank employees and the top three ranks are the only individuals that are eligible for the position. However, this information is not frequently advertised as a part of the job application process. The examination process is convoluted, does not openly share information, and lengthens the overall hiring process.

Similar issues have transpired at the federal level, but the OPM has worked on improving the process for applicants. The End-to-End Roadmap aims to decrease the application cycle time. This initiative sets a 14-day time limit on the agency to make a

decision after the application submission deadline, which would improve the efficiency of the process. This reduces the risk of losing a qualified applicant to another department or organization that made a decision quicker (Llorens, 2009). This has resulted in a positive experience for applicants whether or not they received an offer for the position, as reported by the OPM.

Employee Retention: What Motivates People to Stay or Leave?

A critical component to workforce planning consists of not only investing in leadership and recruiting new talent, but also understanding what drives employees to stay within an organization or leave. Two articles in this section of the literature review took an empirical approach in analyzing a variety of motivating factors for employee retention and what causes employees to leave. Kim (2005) researched motivating factors for employee retention in two state governments for information technology (IT) employees. Samuel and Chipunza (2009) tested to what extent intrinsic and extrinsic factors contributed to employee retention in both public and private sectors. In addition, I describe existing research on the factors influencing employees to retire given the large number of aging employees in California's civil service system.

Impact of Intrinsic Factors in Employee Retention

Kim (2005) research explored eight independent variables' potential impact on IT employee retention (dependent variable) in state level government from Washington and Nevada. The authors used a sample size of approximately 400 employees from the state

level governments. One intrinsic independent variable was found statistically significant by Kim (2005), which was related to participatory management. Participatory management is the extent that IT managers are including their employees in their decision-making and problem solving. The findings from this regression-based study showed a negative correlation between IT employee turnover and greater identification of a work environment that practices participatory management. Based on Kim's (2005) study, IT employees were more likely to stay in their positions if they felt their work environment supported the inclusion of their ideas.

A sense of participation in the decision-making process is one intrinsic factor that may motivate employees to stay within an organization. Samuels and Chipunza (2009) conducted a study of non-profit and public sector organizations in South Africa where 1,800 employees were surveyed. Based on their findings, two intrinsic factors were found to be statistically significant. The first was the type of work being completed by the employee and the level of interest and challenge the employee felt. The more interesting the work, the more likely the employee would stay within the organization. The second intrinsic motivator is the employee's level of freedom to think innovatively. When employees felt they could be creative and think through problems, they had increased levels of satisfaction and were more likely to stay with an organization (Samuels and Chipunza, 2009). Intrinsic factors are key contributors to an employee's retention within the non-profit and public sector.

Impact of Extrinsic Factors in Employee Retention

Although Kim (2005) identified participatory management practices as a significant intrinsic factor motivating employees to stay within an organization, an extrinsic factor outweighed the participatory work environment influence. Public sector IT employees reported their motivation to stay with an organization was decreased largely because of work exhaustion. Specifically, the IT employees reported feeling burned out of work and feeling emotionally drained from their work duties (Kim, 2005). Out of all independent variables, work exhaustion has the strongest correlation to employee turnover. In addition, Kim (2005) also found that among state government IT employees, salary contentment was not statistically significant. There was not a statistically significant correlation between IT employee retention and salary satisfaction in Kim's (2005) study. Overall, work exhaustion was the strongest indicator of whether or not IT employees would stay within their current organization.

Another significant extrinsic factor in employee retention is an organization's investment in their employees, particularly in training and development. In the article authored by Samuels and Chipunza (2009), training and development was one of the most significant contributors in employee retention. However, as observed in the previous sections, organizations are not always willing to invest in their employees. This lack of investment can contribute to their unhappiness and willingness to search for another position. Thus, it is safe to say that investing in employees' professional growth is critical for retention.

Training and development opportunities are vital for retention, regardless of age. The Office of Personnel Management (OPM) embarked on a data collection effort that targeted the departures of their senior executive staff (United States Merit Systems Protection Board, 2013). The OPM found that developmental opportunities such as coaching, mentoring or cross-training were one of the top factors that could have incentivized executives to stay. However, they left because it was not prevalent in their organization (United States Merit Systems Protection Board, 2013). Investing in employees signals an important factor in whether or not employees stay within an organization.

Retirement Behavior from Both the Employer and Employee Perspective

There are two primary types of retirement plans: a defined benefit plan and a defined contribution plan. A defined benefit plan is where retirement benefits are calculated via a formula compared to the amount of contributions and earnings. In California's public pension system, employees are in a defined benefit plan where benefits are based on the number of years served, retirement age, and final compensation for a specified period of time (California Public Employees' Retirement System (CalPERS), 2017). While CalPERS utilizes the defined benefit plan, they also allow employees to voluntarily establish a defined contribution plan for supplemental retirement income, known as the Savings Plus Program (Kanemasu, J, Walker, S. and Wong, V., 2014). In addition, the Public Employees' Pension Reform Act (PEPRA) changed the terms of employees joining CalPERS after January 1, 2014 and will earn a

smaller defined benefit from the state. This will either require employees to work longer or increase their retirement savings through SPP (Kanemasu, J, Walker, S. and Wong, V., 2014).

As an employer, California has moved in the direction of not allowing employees to solely rely on a defined benefit plan and moving towards a defined contribution plan. California signified this through PEPPRA, as one step in pension reform. This signal towards a defined contribution plan is consistent with employers across the nation. According to Gustafson (2016), between 1980-2008, the percentage of employees covered by a defined benefit plan has dropped from 38 percent to 20 percent. In the same timeframe, defined contribution plans increased from eight percent to 31 percent. Employers appeared to have shifted from offering a defined benefit plan to considering a defined contribution plan as a more regular practice. California still primarily utilizes the defined benefit plan, but PEPPRA suggested a movement towards a defined contribution plan in the future.

In the context of the aging workforce, the existing literature revealed several reasons that influence an employee's decision to retire and exit the workforce. The primary driver for retirement is financial. In the following paragraphs, I will discuss specific financial considerations impacting an employee's decisions to retire.

Asch, Haider, and Zissimopoulos (2004) investigated retirement behavior through the lens of the Department of Defense's (DOD) employees who are a part of the Civil Service Retirement System. Through a regression-based study, there were several findings in this research, but most notable is that DOD employees are four percent more

likely to delay their retirement by a year for every additional \$10,000 in expected pension benefits (Asch, et. al, 2004). Furthermore, this study did not observe any notable changes in retirement behavior at ages 62 or 65 despite previous studies findings on “excess retirement”. Excess retirement is the theory that more people retire when other incentives kick-in, such as Social Security and Medicare (Asch, et.al, 2004). A statistically significant factor in an employee’s decision to retire is how much future earning potential they are able to acquire and if it is dismal, they are more likely to retire.

Another financial consideration that emerged from the literature was the impact the Great Recession had on retirement behavior. The findings from above regarding the accumulation of pension wealth appear to hold true, but also in the reverse direction with employees working longer when their pension plan’s worth declines. McFall (2011) examined the results of the Cognitive Economics study from the National Institute of Aging related to older adults and their retirement plans. This regression-based analysis demonstrated that employees changed their retirement plans to work longer during the Great Recession (McFall, 2011). Furthermore, employees who experienced a wealth loss in their pension plans from June 2008 to June 2009 were expected to work longer by an average of three months (McFall, 2011). This trend of delaying retirement was greater for those survey respondents who felt the stock market would not rebound.

Another study was conducted to identify the impact of the Great Recession on retirement decision-making, which focused on faculty members. Arano and Parker (2016) suggest their study’s contribution on this topic is they were able to control for more variables by analyzing a fairly homogenous unit of analysis (faculty members). Faculty

members in this study were more homogenous because they all had the same type of pension plans and similar parameters surrounding the amounts invested in their plans. Arano and Parker's (2016) findings were generally consistent with the other articles analyzed; faculty members' behavior is correlated with changes in their pension plan's wealth value. The Great Recession's impact was stated that faculty members who prioritized their ability to retire as most important to them, delayed retirement 1.13 years. Faculty members whose priorities included having to support another family member delayed retirement by 1.25 years (Arano and Parker, 2016). Based on these articles' findings, the economic recession had a strong impact on delaying retirement due to the recession's impact on pension plan's value.

Understanding the influencing factors of retirement and other changes to compensation (e.g. furloughs, merit salary adjustments, or type of retirement plans) may assist California departments with projecting their future retirements within their organization. California state departments can utilize past retirement data to plan for when their employees might retire and proactively mitigate the risks of losing a large portion of their experienced workforce. Rather than waiting until retirement happens, departments can proactively complete workforce planning.

Oversight of California's Workforce Planning Efforts

Two California oversight agencies, the California State Auditor (CSA) and the Little Hoover Commission (LHC), have reviewed California's workforce planning efforts. Both oversight organizations have identified deficiencies in planning and outlined

recommendations for improving workforce planning. The following paragraphs will summarize LHC's and CSA's key findings.

LHC (2014) conducted a review of California's overall human resources practices after functions were consolidated under CalHR. LHC focused on broader human resources policies, but workforce planning components such as recruitment and leadership were focal points. The two overarching findings were that CalHR lacked visionary leadership and needed to improve workforce planning efforts (LHC, 2014). LHC found that CalHR did not have a strategic plan for the overall organization; instead, it focused on negotiating bargaining units' contracts. Based on this finding, LHC (2014) recommends that CalHR should undergo a robust strategic planning process that focuses on a broad array of human resource practices such as recruitment, management, workforce planning, and labor relations. LHC also recommended that CalHR needs to improve and modernize human resource policy for the state of California.

LHC (2014) identified that CalHR has not fully met Governor Brown's Human Resource Modernization (HR Mod) project, which aimed to make California's civil service system less rigid and complicated. HR Mod intended to consolidate job classifications, improve employee development, and enhance workforce planning. CalHR has made some progress in these areas with the implementation of an online job application process, creation of a workforce planning unit, and offering a wide array of free trainings. Despite this progress, LHC (2014) states that there needs to be significant progress made for CalHR to prepare its workforce for a changing demographic in the digital age.

CSA focused on workforce planning as a high-risk area due to the aging baby boomers and their pending retirements. CSA audited four departments across California state government, which includes CalHR, the Office of Emergency Services, Social Services, and Transportation. CSA (2015) identified workforce planning best practices and compared the four departments' efforts against those best practices.

The audit of the four departments demonstrated an overall need for improvement in workforce planning. CSA (2015) identified that while CalHR has developed resources and disseminated information, it does not have adequate performance measures in place to assess whether other departments are utilizing them effectively. Consequently, CalHR does not play a large enough role in actually assisting departments with developing and implementing their plans. Furthermore, two of the three departments other than CalHR did not follow CalHR's guidance based on the resources available for workforce planning. CSA (2015) states that some best practices are followed, but there is room for improvement in the existing plans.

CSA (2015) made several recommendations based on its assessment of the four departments' workforce plans. First, CSA recommended that the Legislature amend existing law to give authority to CalHR to oversee workforce and succession planning. This authority would mandate CalHR to monitor and track which departments are planning, and to what extent. CSA also recommended that CalHR should develop an evaluation mechanism to assess workforce planning resources and whether or not they are effective in assisting other departments (or utilized at all). Furthermore, CalHR should develop a process to ensure they are incorporating industry best practices so that

education and training materials are most effective.

While most of the recommendations focused on CalHR as the primary department responsible for human resource management, CSA had specific recommendations for the other departments reviewed. CSA recommends that departments evaluate their workforce plans against their workforce data to ensure their strategies align with trends in retirements in leadership positions and technical positions. Departments should also designate a group of people to focus on the critical task of workforce planning so that efforts are monitored, reported, and evaluated. CSA noted that these departments are completing some best practices in workforce planning, yet more proactive planning is needed to mitigate risks associated with retirements.

Aging Workforce or not; Workforce Planning Strengthens an Organization's Effectiveness

The articles reviewed have described the pending shortages in the workforce due to aging, but also have made compelling arguments on the need for workforce planning. Workforce planning aids organizations in developing strong leaders to get through turbulent times, in recruiting new talent to combat complex policy problems, and in helping retain knowledgeable staff. Leadership development signals a long-term investment within an organization that provides individuals with the tools to withstand looming problems. Articles in this review displayed the unique challenges of the public sector's emphasis on a competitive merit-based hiring process, which indirectly benefits those already in the system. Employee retention relies on a variety of factors that may or

may not be directly within an organization's sphere of influence. However, it is important to recognize the value each of those factors has in whether or not employees will leave or stay within the organization. Some of California's executive agencies have been assessed at a high-level of risk and it was identified that there was a lack of effective and coordinated workforce planning, which is just an assessment of those departments that have undergone plans.

The existing literature suggests key strategies in workforce planning that are critical to an organization's success. California executive agencies range from small to large and perform a variety of functions, yet face similar workforce challenges. I would like to build upon this research but specifically focus on California's executive agencies. I plan to utilize the existing literature to shape how I conduct my investigation in answering the question of are California executive agencies adequately planning for the pending retirements of baby boomers and other changes in demographics?

My review of the literature suggests that my research should measure what specific strategies are included in California departments existing workforce plans. My analysis should answer questions, such as: do agencies include a leadership component as a long-term focus; have agencies included recruitment strategies that span varying generations or account for challenges in the existing civil service examination process; and if there is any attention being paid to what motivates employees and how that impacts employee retention. The findings and recommendations made by oversight agencies will also impact how I approach my research.

Based on the specific workforce planning strategies identified by previous research, I plan to build an analytical framework to measure the adequacy of existing workforce plans developed by executive agencies. Furthermore, the literature suggests that effective workforce planning is specific to an organization's needs. Therefore, it is vital that it is data-driven and aligns with the organization's strategic plan; these factors will help me form my interview questions and create criteria to assess existing workforce plans. I must structure questions in a manner that helps to uncover underlying motivations for those agencies with a workforce plan and better understand the deterring factors for those without one. Chapter three will provide detailed information on my research methodology and how I plan to assess existing workforce plans and compile information from agencies without a plan.

Chapter 3

METHODOLOGY

Method to Assess California's Statewide Workforce Planning

My study is a qualitative analysis of workforce planning in California. I have developed this study to analyze existing workforce plans and to assess underlying motivations of California state agencies. The existing literature directly impacts the methodology I developed to answer my research question: To what extent, if any, are California state agencies adequately planning for the possibility of a major exit of baby boomers from the state workforce?

The articles and reports revealed three major strategies that are a critical to an organization's success as it relates to workforce planning. Those strategies are leadership development, recruitment, and retention. Furthermore, the existing literature identified mechanical components of "how" to conduct workforce planning. Such elements of planning consist of executive management's support, workforce planning aligning with an organization's mission and goals, and an evaluation component. My research design is outlined in the following paragraphs and is separated into two major components: 1) a summary of an analytical framework to assess the quality of existing workforce plans; and 2) information gathered from interviewing departments on their underlying motivations for workforce planning.

Developing a Framework to Analyze Existing Workforce Plans

The first component of my research includes analyzing recent publicly available workforce plans. I identified five departments' workforce plans to serve as my case studies. The five workforce plans were obtained through the California Department of Human Resources' (CalHR) public-facing website. The five workforce plans are from the following departments: CalHR, California Office of Emergency Services (CalOES), California Department of Transportation (CalTrans), California Public Employees' Retirement System (CalPERS), and California State Teachers' Retirement System (CalSTRS). These five workforce plans were chosen because they were publicly accessible for review. Only about 14 percent of state departments (18 of 131) have an existing workforce plan and only a fraction of those plans are publicly accessible (CalHR, 2017). Therefore, these five represented my sample size and are fairly representative of varying sizes and services provided by state agencies.

The aim of delving into these five workforce plans is to complete an environmental scan of existing workforce plans to help me identify what may be working well and opportunities for improvement. These inferences can assist other departments when they are conducting their own workforce planning efforts. Since I will only be analyzing the publically accessible workforce plans and any referenced documents within those workforce plans (i.e. strategic plan or succession plan), my analysis will not capture any of the internal documents produced by departments. While I attempted to gather as much documentation and data as possible, the amount of available information per

department varied and some workforce plans may appear more thorough simply because they had more information available.

The next major step of my study was to develop an analytical tool for assessing the quality of departments' workforce plans. The literature review and CalHR's available resources strongly influenced the framework I developed in Table 3 below. The columns represent the departments' workforce plans I will analyze in Chapter 4 and the rows represent the criteria I will use to evaluate the workforce plans. In the analytical framework identified below, the criteria are split into two major categories: 1) the mechanics of workforce planning; and 2) specific workforce planning strategies used to address challenges in the workforce.

Table 3: Framework to Analyze California State Agency's Workforce Plans

	CalHR	CalSTRS	CalOES	CalPERS	CalTrans
	Workforce Planning Process				
Executive Support					
Strategic Plan Alignment					
Data-Driven					
SMART Strategies					
Implementation					
Evaluation Process					
	Workforce Planning Strategies/Best Practices				
Leadership					
Recruitment					
Retention					

Prior to determining what workforce strategies to implement, organizations have to go through the planning process to identify their existing workforce's current and future needs. The first section of my framework analyzes the planning process initiated by agencies to develop, implement and evaluate their workforce planning efforts. The

broad assessment criteria I developed for departments' workforce planning efforts consist of the following:

- *Executive Support*: Does an agency have strong executive support behind its workforce plan?
- *Alignment with Strategic Plan*: Does the agency's workforce plan align with its overall mission, goals, and objectives?
- *Data-Driven*: Did the department analyze staffing data, such as the current supply and demand of positions, vacancy rate, and turnover rates?
- *Implementation Plan*: Did the department include a clear implementation plan with a timeline, who is responsible, and process to collaborate with other divisions?
- *Evaluation*: Did the department include an evaluation component to identify whether its efforts were effective or not and build in the ability to change direction if needed? Has the department provided any evaluation reports to date?

To make the assessment of each criteria objective, I developed a scoring rubric so that each department's workforce plan is evaluated on the same scale. Each assessment criteria related to the process of workforce planning is measured via the following point system outlined in Table 4.

Table 4: Scoring Rubric for Department's Workforce Planning Process

Assessment Criteria	Scoring Criteria
Executive Support	<ul style="list-style-type: none"> • 1 point—Message from executive • 1 point—Executive participation in the workforce planning process • 1 point—Planned executive updates throughout implementation
Strategic Plan Alignment	<ul style="list-style-type: none"> • 1 point—Identified organization mission, goals, and objectives • 1 point—Aligned workforce plan with one or more strategic plan goals • 1 point—Identified external factors influencing their workforce (i.e. cultural, fiscal, technology, etc.)
Data-Driven	<ul style="list-style-type: none"> • 1 point—Collected and analyzed data of current workforce (i.e. demographics, classifications, etc.) • 1 point—Projected future demand of their workforce • 1 point—Identified gaps in mission critical positions
Implementation	<ul style="list-style-type: none"> • 1 point—Included an action plan defining who, what, and when • 1 point—Prioritized risks and workforce strategies or identified a structure to prioritize • 1 point—Included a process to receive feedback from divisions
Evaluation Process	<ul style="list-style-type: none"> • 1 point—Identified key performance indicators or milestones • 1 point—Established a process to evaluate the plan throughout and adjust as needed • 1 point—Included a communication plan to report progress, challenges or key updates to appropriate stakeholders

Based on the accumulation of points, departments will be ranked either poor, fair, good or excellent per each category of criteria and overall. For the assessment criteria the following ranking system is applied: 0 points=poor, 1 point=fair, 2 points=good, and 3 points=excellent. For the overall plan, the ranking breakdown is 0-3 points=poor, 4-7 point=fair, 8-11 point=good, and 12-15 points=excellent. Chapter 4 will include the scoring results and evidence to support my assessment of each of the five departments' workforce plans.

The second section of the analytical framework in Table 3 aims to review the specific strategies departments chose to include in their workforce plan. Based on the literature, CalHR, and the audits completed by oversight agencies, there are specific aspects that should be included in a workforce plan. While workforce strategies may vary by department, they should include components related to long-term leadership development, recruitment, and retention.

Because specific strategies were predicated on department need, I was only able to mark a “yes” or “no” if there was sufficient evidence that a department attempted to focus on the specific strategies identified in Table 3. Since I am only analyzing the workforce plans and not the actual success of implementation, I was not able to assess the quality of the specific strategies and only identified whether or not departments intended on focusing on these broad workforce strategies. In the analytical framework, I indicated a “Y” for yes, if the department sufficiently identified plans to implement a specific strategy and “N” for no, if there is not any evidence outlining a specific strategy type. Chapter 4 will answer the assessment questions in full detail to determine the quality of the existing workforce plans by California departments and include a list of the workforce strategy types by department and whether they were leadership, recruit or retention focused.

My evaluation of existing workforce plans tells part of the story in California departments, but I believe analyzing departments that do not have workforce plans helps to tell the rest of the story. A majority of state departments have not initiated workforce

planning or made their workforce planning efforts public. The next section describes how I try to ascertain additional workforce planning information from departments.

Strategy to Identify Factors Driving Agencies' Decision to Pursuit Workforce Planning

I completed interviews to identify factors that encourage and discourage agencies to engage in workforce planning. Since the unit of analysis of my study is California state agencies, I solicited interviewees from multiple state departments. The following paragraphs will summarize how I approached interviews with public officials from state departments.

Soliciting Interviewees from a Diverse Set of Departments

I interviewed public employees of agencies who have a working knowledge of their department and its workforce efforts. The criteria for interview selection includes the following: 1) must work for a California public sector organization (state-level government); 2) must be willing to communicate with me via phone or in-person; and 3) have some ability and knowledge to speak about workforce planning from their department's perspective.

To solicit individuals that met my criteria to interview, I reached out to personal contacts at departments and utilized the CalHR workforce planning listserv. I drafted and sent out a recruitment email through the listserv and to my personal contacts, which explained the purpose of my study and requested employees to participate. Through my personal contacts, I was able to recruit participants from the Department of State

Hospitals, Office of Statewide Health Planning and Development, the Employment Development Division, and CalHR. From the CalHR workforce listserv, which includes over 600 state employees and 140 departments, I was able to get representation from CalSTRS, Department of Technology, and the Department of Coastal Conservancy. In total, I interviewed ten employees representing seven departments of different sizes and a variety of type of governmental services delivered. Due to my study relying on volunteers for interviewees and time constraints of the academic calendar, my interviews may appear to be limited to seven departments. However, it is important to note that I was able to speak in depth with CalHR and Department of Technology, which are both control agencies. CalHR is broadly responsible for human resource management statewide and the Department of Technology is responsible for supporting the information technology workforce statewide. The workforce planning they are conducting likely influence departments they interact with. Therefore, the information I collected and will be shared in Chapter 4 is representative of more than seven departments and may be generally applicable to other departments. As will be identified in Chapter 4, themes emerged across all departments interviewed and other departments are likely experiencing similar circumstances with their workforce.

Structured Interviews of Key Leaders in California's Workforce Planning Efforts

My interviews were structured for management and executive level employees at California departments. My recruitment and interview questions were geared towards those in leadership positions since I wanted to gather information related to the

underlying causes of workforce planning and leaders of organizations are typically driving the vision and strategy of a given organization. Each interviewee I spoke to was positioned in their organization in a leadership capacity. I wanted to hear from those individuals who are responsible for guiding an organization's direction since they should be able to identify how their workforce planning efforts fit into the organization's overall direction. My interviews took anywhere from 30 minutes to 1 hour with each of the participants of this study.

To ensure the protection of the participants of my study, I went through the California State University, Sacramento Institutional Review Board (IRB) process. The Public Policy and Administration Department identified my research was exempt from the formal IRB process, however, I still needed to take the appropriate measures to ensure the confidentiality of the interviewees. Ensuring confidentiality enabled me to have more candid conversations with the interviewees. The information I gathered from interviews is not tied directly to an individual or their department to maintain confidentiality and the protection of each interviewee from any backlash. The intention of this research is not to reward or punish departments based on how much workforce planning is occurring, but to gain a better understanding of how California departments are doing as a whole and how can it be improved by understanding their environments.

I structured the interview questions into three different categories: questions that I asked to all departments, questions for departments with an existing workforce plan and questions for departments without an existing workforce plan. I asked all departments fact-based questions to gain a sense of their aging workforce, which is identified in Table

5 below. I developed targeted questions for agencies with existing workforce plans to assess their original motives, any challenges, and if they felt there was an adequate return on their organization's investment in workforce planning. Last, I structured open-ended questions to agencies without workforce plans to identify their reasons for not having a plan, what barriers they have encountered, and identify what would influence them to develop a workforce plan.

Table 5: Structured Interview Questions for Department Leaders

Questions asked to all department officials
The size of the agency (number of positions).
The number of retirement eligible employees.
The number of employees soon to be retirement eligible.
Does your agency have an existing workforce plan?
Is it publicly available for reference?
Questions asked if an agency identified having a workforce plan
Why did your agency create a workforce plan?
How did your agency create the workforce plan?
Did you encounter any obstacles when creating the workforce plan?
What were the driving factors in how you decided what strategies to incorporate into your workforce plan?
What were the strategies focused on in your workforce plan?
Do you think it has been worth the time and resources to create the workforce plan?
Have you implemented any of the strategies identified in your workforce plan?
Questions asked if an agency identified not having a workforce plan
Why has your agency not developed a workforce plan?
Are there barriers preventing your agency from creating a workforce plan?
What factors, if any, would influence your agency to develop a workforce plan?
Do you have key workforce related challenges or worries such as recruitment, retention, or knowledge transfer?
If so, how are you addressing those challenges?

Based on the interviews conducted, I completed detailed notes for each of my interviews and compiled the information into a spreadsheet for each department. I organized the information so that I can analyze all departments' responses to each

question. This enabled me to compare and contrast responses and identify trends. The detailed findings and analysis will be described in Chapter 4.

Research Study Limitations

This research is an environmental scan of workforce planning at the state department level rather than a detailed review of any one issue. Due to only analyzing five existing workforce plans, speaking to a select number of individuals across seven departments makes the research limited. While I am able to make some inferences from completing this environmental scan, it should not be assumed that every department has the same experiences and challenges. While there is not a one-size-fits-all approach in workforce planning, the recommendations in Chapter 5 may notify policymakers and department officials of some ways to improve their planning efforts based on departments' past experiences and lessons learned.

In addition, my investigation only includes departments that either had publicly available information or volunteered to speak with me. It is likely that departments that are conducting some form of workforce planning are more willing to speak about it because it is already on their agendas. Departments in which workforce planning is not on the forefront of their agenda likely would not have made an effort to speak with me. Thus, my investigation could have missed the departments that have not prioritized workforce planning. Despite this limitation, the research is of value to the public sector community because it identifies what factors influence whether or not public sector organizations conduct workforce planning and assesses how they are undergoing this

important effort. Based on my assessment, I am able to identify opportunities for improvement in the future.

Finally, in developing my analytical framework, there is a level of subjectivity in what I decided to include as criteria and my scoring structure. As the sole investigator in this study, the framework represents what I believed to be critical measurements of workforce planning. However, this is just one individual's perspective. Subsequent researchers could consider other criteria as workforce planning becomes a common in state departments.

Chapter 4

RESULTS

As mentioned in Chapter 3, my study uses two methods to identify the extent and quality of workforce planning in California state agencies and to identify factors that both encourage and discourage agencies from engaging in such planning. The first section of this chapter includes my examination of the five existing workforce plans. My analysis of the quality of each of the five existing workforce plans will be outlined for each assessment criteria and I will highlight those areas where departments were uniformly strong in and identify areas that could be improved. The second part of this chapter includes the results of the department interviews I completed to learn about the driving factors of workforce planning and how departments approached workforce planning. Due to confidentiality, I will not include information specific to each department interview, but identify overarching themes based on common responses from multiple departments.

How Do California Department's Workforce Plans Measure Up?

The aim of this portion of my study is to identify the quality of existing workforce plans through the analytical framework set forth in Chapter 3. Table 6 includes the overall results of each criterion per department. Located in Appendix A through Appendix E is a scorecard for each department, which outlines supporting evidence for the departmental rankings. In addition, I will draw high-level conclusions amongst all departments as to what was completed well and areas that could be improved in the workforce planning process. For the workforce planning strategies and best practices, I

will provide a table summarizing the strategies identified for leadership, recruitment, and retention by each department.

Table 6: California State Agency's Workforce Plans Scoring Rubric

	CalHR	CalSTRS	CalOES	CalPERS	CalTrans	Average
	Workforce Planning Process					
Executive Support	3	2	2	3	1	2.4
Strategic Plan Alignment	3	3	3	3	1	2.6
Data-Driven	3	3	3	2	3	2.8
Implementation	2	3	1	1	2	1.8
Evaluation Process	2	1	1	1	0	1.0
Total	13	12	10	10	7	10.4
	Workforce Planning Strategies/Best Practices					
Leadership	Y	Y	Y	Y	Y	5 of 5
Recruitment	Y	Y	Y	Y	N	4 of 5
Retention	Y	Y	Y	Y	N	4 of 5

Overall Quality of Department Workforce Plans

Overall, the departments' workforce planning process received an average score of 10.4 points out of 15 possible points. Based on the scoring breakdown outlined in Chapter 3, the workforce plans cumulatively ranked as good when accounting for all assessment criteria. The scoring results are outlined in Table 6 and illustrate that departments excelled in being data-driven and aligning their workforce plan with their strategic plan. The criteria related to data averaged 2.8 points out of three and the criteria of alignment with the departments' strategic plans averaged 2.6 points out of three. The implementation and the evaluation criteria were the lowest ranked categories across the board with an average of 1.8 points and 1.0 point out of three, respectively. Prior to delving into departments' workforce plan rankings and supporting evidence, I summarize

below the elements in which the departments in general performed well and those which could be improved upon.

For all departments, gathering and analyzing data was a primary focus in the development of their workforce plan. Several data elements were captured and analyzed such as demographics, turnover rates and vacancy rates. However, all departments consistently gathered data related to the risk of losing employees due to retirement and all but one department projected future vacancies and needs of their workforce. While departments varied in the manner in which they collected, presented, and analyzed their data, the age demographics were a primary driver. Table 7 below provides an overview of the number of employees at retirement age or soon to be at retirement age for each department. It is important to note that just because an employee is over 50 years old does not necessarily equate to eligibility for retirement, but age 50 is the earliest retirement age.

Table 7: Retirement “Risk” of Those Departments with Existing Workforce Plans

	Total Number of Employees	Employees over age 50		Employees between ages 45-50		Employees at risk of retirement within five years	
CalHR	289	39%	112	27%	77	65%	189
CalSTRS	845	33%	279	10%	82	43%	361
CalOES	871	57%	497	16%	143	73%	640
CalPERS	2,700	14.1%	381	N/A	N/A	14.1%	381
CalTrans	20,654	47%	9,707	19%	3,920	67%	13,627
Total/Avg.	25,359	34%	10,986	18%	4,222	39%	15,198

Table 7 highlights the total number of employees represented across the five departments; 34 percent are over 50 and 18 percent are within five years of being 50.

Overall, there are over 15,000 employees eligible or soon to be eligible to retire in just these five departments, which is an underestimation because I could not retrieve how many employees are within five years of 50 at CalPERS. The large number of employees at or near retirement eligibility age was a key driver for each department to invest resources in developing a workforce plan and departments did an excellent job of gathering this information to assist their workforce planning efforts.

It was evident that departments clearly aligned their workforce plan and future direction with their strategic plan. All but one department provided references and links to their strategic plan and stated how their workforce plan bolsters the department vision. All departments except for one had a strategic plan goal specific to developing, investing-in or supporting their workforce. Last, all five departments' workforce plans identified external factors driving their workforce plan. Most of the departments referred to age demographics, but another consistent theme was the limited supply of high-skilled employees and competing with the private sector for the limited supply of employees. This was also a factor in how departments developed their department specific workforce strategies.

Most departments had workforce plans that could be strengthened in the area of plan implementation. Most departments lacked a clear mechanism to prioritize workforce strategies. While there were general timeframes and key performance indicators in some of the workforce plans, it was not clear which strategies were most critical and which were desirable, but not critical. The model used by most departments was to separate strategies into one of two categories: 1) short-term (one to two year initiatives) and 2)

long-term (three to five year initiatives). This was helpful to differentiate some of the more easily implemented projects from the more difficult ones, but there was not much specificity under the strategies to understand why some were short-term and others were long-term. Inevitably, projects, assignments, and other higher priority issues will force departments to make tough decisions to prioritize, and it was not clear which workforce strategies were absolutely mission critical. Most departments' workforce plans identified an abundance of strategies, but it was difficult to decipher how and when all of the identified strategies would be implemented and completed.

A consistent theme among most departments' workforce plans was the lack of a thorough monitoring and established evaluation process. Some departments included key performance indicators while others did not. Key performance indicators could contribute to identifying whether the workforce plan is on track, but for the most part, there was not an overall evaluation process built into most departments' workforce plans. Since the workforce plans are not fully implemented at this time, lessons learned could not be identified, but there was not much evidence pointing to how departments would evaluate their plans throughout the implementation process and upon completion.

Two of the five departments included an action plan, which identified at least one key performance indicator per workforce strategy. In reviewing those two workforce plans, I was able to understand what those departments hoped to gain from each workforce strategy. However, other departments did not articulate how they were monitoring their initiatives throughout the process with some type of metrics. In addition, most departments' workforce plans identified quarterly or annual updates to executives

on the workforce plan. This provides some type of evaluation, as executives can review outcomes, but if anticipated outcomes or benchmarks are not set in the beginning, then it is unclear what outcomes are being evaluated or if a department is able to measure whether or not their workforce strategies are effective. Departments gathered strong baseline data such as their vacancy and turnover rates, yet those indicators were not always identified as monitoring tools in the workforce plans. This would help inform departments if they need to adjust, make minor modifications or pivot more dramatically.

I turn now to more detailed consideration of the workforce plans for each of the five agencies in my sample. Note that the complete workforce planning scorecard for each agency can be found in the Appendix (Appendices A-E). The Appendix also includes a complete list of departments' workforce initiatives (Appendix F).

CalHR's Workforce Plan Analysis

CalHR's workforce plan received an overall score of 13 points out of 15 possible points, which ranks as excellent. The workforce plan is set to guide CalHR from 2016 until 2021. The plan was strategic and action-oriented, however it could be strengthened with respect to comprehensive evaluation measures. There were some references to evaluation throughout the plan. However, a clearer evaluation plan would allow the department to be nimble enough in case CalHR required changes within their five-year scope of the plan.

CalHR's leadership support was evident at the highest levels of their organization. The workforce plan began with a letter from the Deputy Director of Operations

emphasizing the importance of workforce planning. Also, in the methodology section of the workforce plan, CalHR (2016) explained executive level participation in recognizing the department's workforce challenges and goals. There were references to including each business area to ascertain workforce specific challenges and objectives to address those challenges. Lastly, CalHR outlined a communication plan that clearly articulates the role of executives in implementing the workforce plan.

CalHR outlined its five strategic plan goals and stated how the workforce plan supports the goals overall. Furthermore, CalHR highlighted which goal workforce planning supports the most, which is "further developing CalHR's team of experts" (CalHR, 2016). CalHR identified its mission, vision, goals and a high-level overview of each of its business areas. In addition, CalHR provided a history of its organization and how that impacts its strategic direction moving forward. For example, Governor Brown executed the reorganization of the human resources' departments in California, which created CalHR (CalHR, 2016). Furthermore, the Governor established the Civil Service Improvement (CSI) effort, which is aimed at developing a modern human resource system so that California can efficiently recruit and hire the best candidates. This is an example of CalHR identifying factors influencing its strategic direction and the importance of investing in its workforce to support initiatives like the CSI effort.

CalHR collected several data elements and identified gaps based on the data collected. CalHR gathered data related to the diverse demographics of the organization including gender, ethnicity, disability and age. CalHR identified gaps in a lack of bench strength and certain program areas experiencing challenges in recruitment based on data

collection efforts. CalHR identified business areas that only had one program expert and if that individual were to exit the department, they would be at a loss of critical institutional knowledge. This gap informed CalHR on the need to implement knowledge transfer initiatives. Furthermore, CalHR identified several employees in leadership positions who were fairly new to the department practices and necessitated further training and development. Last, through CalHR's data gathering phase, they identified the Savings Plus Program, In Home Health Support Services Program, the Legal Services, and the Selection Division are experiencing recruitment challenges due to compensation disparity, competition from the private sector, and limited knowledge in specialized classifications (CalHR, 2016). The gaps identified appeared to drive CalHR's focus areas in its workforce strategies on recruitment and knowledge transfer.

CalHR provided evidence of a good implementation plan of its workforce strategies. CalHR identified 14 initiatives, ten of which are two year goals and four that are five year goals. Included in the workforce plan was an action plan identifying when each strategy would be completed and each strategy had at least one key performance indicator to identify progress throughout implementation. In addition, CalHR established plans for how the workforce plan would be rolled-out to each business area and continuously communicated to divisions so that the workforce plan is visible to all department employees.

Although CalHR developed a solid implementation plan, I did not identify evidence of prioritizing the workforce initiatives other than short-term versus long-term. Completing ten initiatives within two-years may be ambitious particularly when a single

HR manager appears to be responsible for a majority of the initiatives. While other team members are identified as equally responsible for some workforce initiatives, it is a heavy workload concentrated in one area, which may not be enough resources. Prioritization of the strategies may mitigate the risk of the strategies getting started, but not completed.

While CalHR identified some evaluation components, its plan lacked a clear overall evaluation mechanism. The action plan as referenced above listed key performance indicators for each workforce strategy, but there were no references to how the department would pivot if strategies were not progressing or if other external factors may change the department's needs. In five years, much can change. For example, when a new Governor is elected, will the CSI effort still be a priority and the future direction of the department? This is not to say there is not a consistent evaluation plan, it was just not clear in the workforce plan. It is possible that the communication plan was CalHR's mechanism to discuss the outcomes and adjust if necessary. The communication plan stated that quarterly reports would be provided to executive staff, which is a solid step in staying apprised of progress. However, there was not any mention of action taken besides regular reporting.

CalSTRS Workforce Plan Analysis

CalSTRS' workforce plan received an overall score of 12 points out of 15 possible points, which ranks as excellent. The workforce plan is set to guide CalSTRS from fiscal year 2013-2017. The workforce plan demonstrated excellent alignment with its strategic plan, a strong effort in collecting workforce demographic data, and solid

implementation approach (CalSTRS, 2013). However, there was a lack of evidence detailing how CalSTRS approached evaluating its workforce strategies individually and the plan in its entirety.

The leadership support was relatively strong for CalSTRS. The workforce plan was introduced via a message from the Chief Operating Officer explaining the value and necessity of undergoing the workforce planning process to position CalSTRS well in the future. The workforce plan also mentioned executives participating in developing core competencies for the department, which was a foundational aspect of the plan. The only measurement that I did not find much evidence of is how the workforce plan would continue to engage executives throughout the implementation process.

CalSTRS clearly aligns its workforce plan with its strategic plan. CalSTRS begins its workforce plan with its strategy map, which highlights its vision, mission, core purposes, and overarching goals. However, what makes CalSTRS' workforce plan unique is based on its ability to match its workforce strategies with baseline needs, as identified by conducting a human resource specific strengths, weaknesses, opportunities, and threats (SWOT) analysis. By conducting a SWOT analysis specific to its workforce, CalSTRS was able to strategically move forward because they understood its department's specific workforce needs (CalSTRS, 2013). Furthermore, the SWOT analysis identified internal and external opportunities and threats so they could leverage this information throughout the planning process. One example is the potential large number of teachers retiring, which increases the demand of services required by

CalSTRS employees (CalSTRS, 2013). Overall, CalSTRS demonstrated a strong effort to tie this workforce plan with the future direction of its organization.

CalSTRS' workforce plan demonstrated a strong ability to collect data and analyze it. CalSTRS conducted a supply analysis where it analyzed employees at different levels (rank and file, supervisors, and executives) and analyzed its retirement risk. Furthermore, CalSTRS analyzed its employee turnover rates compared to industry standards set forth by the Society for Human Resource Management (CalSTRS, 2013). Next, they conducted a branch specific analysis, which accounted for workload, anticipated staffing increases, current vacancies, attrition rates, and potential retirements in order to determine what its future staffing needs will be. CalSTRS accounted for several variables that may impact its workforce and positioned themselves to make decisions now to fill the gaps they have identified.

Additionally, for each gap identified, CalSTRS mapped those findings to a specific workforce strategy to fill the identified gap. For example, CalSTRS identified 63 percent of incumbent Career Executive Assignment (CEA) employees are at or over the age of 50. In addition, CalSTRS recently experienced retirements of mission critical CEA positions such as the Chief of Staff and Deputy Chief of Technology Services. As such, one of its recommendations is to implement an executive development pilot program, which focuses on internally growing lower level leaders into potential executives within the organization to fill the future CEA vacancies.

CalSTRS' implementation approach was good. First, CalSTRS organized its list of recommended workforce strategies by strategy type and identified which year the

strategy would be implemented. Another notable item in CalSTRS workforce plan related to a clear identification of next steps, which includes the following:

- Working with a steering committee to identify workforce strategies that are considered low-hanging fruit or need to be deferred to a later year
- Completing a feasibility study with human resources leadership to identify resources and specific timeline needed for successful completion of the recommendations
- Prioritizing workforce planning strategies that are in most important to moving the strategic direction of the organization further
- Annually reviewing and reevaluating the workforce plan and succession plan to make sure current initiatives are in alignment with department and division specific needs.

Overall, CalSTRS clearly outlined its next steps with respect to implementing the plan and the respective workforce strategies.

CalSTRS had a mechanism for evaluating its workforce plan annually, however they did not outline measurable outcomes for the workforce strategies. The year-by-year action plan identified what was supposed to be implemented and by when, however there were not any key performance indicators or milestones identified so CalSTRS would know if the initiatives were effective or not. Last, CalSTRS did not identify how they would continuously keep executives updated and other business areas. Executives were identified as being a part of the workforce planning process initially, but it was not outlined how they would be involved should CalSTRS need to make higher level decisions.

CalOES Workforce Plan Analysis

CalOES' workforce plan received an overall score of 10 points out of 15 possible points, which ranks as good. The workforce plan is set to guide CalOES from 2015-2020.

The workforce plan demonstrated alignment with its strategic plan and a strong effort in collecting workforce demographic data (CalOES, 2015). However, there was a lack of evidence detailing the department's engagement with other division areas in its implementation and evaluation strategies.

CalOES provided good evidence of executive support. The workforce plan opened with a message from its Chief Deputy Director. In addition, several of the workforce initiatives outlined in the action plan identified executive sponsors responsible for the overall success of that initiative. The leadership development program, new employee onboarding program, and formal mentoring program all had executive sponsorship. What was unclear in the executive sponsorship portion is how executives will be included throughout implementation with respect to progress reports.

Another point of strength in CalOES' workforce plan was its ability to align it with its strategic plan. The workforce plan identified the department mission, vision, values and the overall department goals. Goal number five was directly tied with the workforce plan to "develop a united and innovative workforce that is trained, experienced, knowledgeable, and ready to adapt and respond" (CalOES, 2015). Last, CalOES referenced external factors influencing its workforce such as geographic barriers, compensation disparity, and union sponsored legislation.

CalOES successfully collected workforce related data, which resulted in identifying mission critical positions that were at a high risk of losing employees to retirement (CalOES, 2015). CalOES identified that about 80 percent of its fire and rescue and law enforcement teams were eligible for retirement. In addition, CalOES collected

other demographic data such as age distribution by division, classification, and identifying the separation reason for employee turnover (CalOES, 2015). CalOES also analyzed historical employee separation data since 2012 to project future employee separations for 2016. CalOES identified retirement as the top reason for employees leaving its department, which helped inform the strategies identified in its workforce plan. Overall, CalOES did an excellent job in identifying key data elements and analyzing them.

CalOES did a good job of including an action plan; however the implementation plan did not prioritize the initiatives and did not describe how business areas would be engaged. Nine of the ten strategies are targeted for completion within two years and one is listed as a five year goal. There were no specific plans to engage business areas and include department-wide feedback on specific workforce strategies. It may be difficult to implement the workforce initiatives without collaborating or having a process to receive input on challenges. In addition, it may be difficult to measure the key performance indicators without communicating frequently with all of the divisions.

Overall, CalOES' evaluation process was successful in identifying metrics to assess progress, however the workforce plan did not establish a process to evaluate the plan throughout. In addition, there was not a clear communication plan on how progress would be communicated or how challenges would be addressed with other divisions and executives. CalOES excelled in developing several key performance indicators for each of its workforce strategies. For example, the supervisor success academy listed several measureable indicators, which included scores on class evaluations, improved employee

survey scores on managers and supervisors, and improved supervisor performance. CalOES successfully identified many ways to measure success of its strategies; however it was unclear how this would be communicated to executives or the rest of the staff outside of the workforce planning team. CalOES' evaluation process included quarterly reporting, an annual review and potential updating of the workforce plan. However, only the long-term initiative related to strategic planning referenced updating executive management and working with other business teams. CalOES did an adequate job in identifying key performance indicators, however it was not clear how CalOES intended to use that information and make informed decisions based off of it.

CalPERS Workforce Plan Analysis

CalPERS' workforce plan received an overall score of 10 points out of 15 possible points, which ranks as good. The workforce plan is set to guide CalPERS from 2014-2019. The workforce plan demonstrated strong executive support, alignment with its strategic plan, and an excellent effort in collecting workforce demographic data (CalPERS, 2014). However, there was a lack of information in how CalPERS would implement its plan and evaluate it.

CalPERS' workforce plan reflects strong leadership through the workforce planning process and moving forward through implementation. Much like other departments, CalPERS included an introductory letter from an executive, in this case, the human resources Chief. Also, CalPERS worked closely with executives and senior staff in the planning process to identify workforce data, challenges and future needs. In

addition, CalPERS identified working with executives on some of its workforce initiatives such as the organizational health index and the CalPERS training advisory group.

CalPERS' workforce plan aligned with its strategic plan. CalPERS identified that the workforce plan mainly supported the goal of "cultivating a high-performing, risk-intelligent and innovative organization" (CalPERS, 2014). In addition, CalPERS emphasized the external labor market in addition to its internal factors to drive its strategic path forward. Consistently throughout the workforce plan, CalPERS references strategic or business plans and needing to undergo workforce planning to align resources with the organizational needs to maintain and enhance effectiveness.

CalPERS collected several internal and external data elements to drive its workforce initiatives. CalPERS emphasized competition with the private sector for employees, therefore analyzed several external data elements. Such external data elements included economic revenue, job growth, and compared that against the annual number of external hires CalPERS made. They identified hiring fewer external hires (59 percent) compared to previous years. In addition, they conducted analysis on the supply and demand of the overall labor market such as the identification of an increasing amount of low-skilled workers, but less highly skilled employees. Last, CalPERS analyzed how many applications they receive per vacancy and the average amount of time it takes for the employee to start after the application period ended. CalPERS received an average of 84 applications per recruitment and 175 for entry level positions, which all require a manual process to vet. CalPERS mentioned the risk of losing employees to retirement,

but that did not seem as much as a focal point as other departments. CalPERS identified 14.1 percent of its employees as eligible to retire. While a good effort was made in collecting data related to its workforce, CalPERS did not project out its future needs like other departments completed. There were no projected vacancies identified despite gathering enough data to complete such analysis.

CalPERS consistently engaged with business teams to identify challenges and workforce strategies, however there was no clear action plan to implement the strategies. The human resource team entered into a service level agreement with each CalPERS business area. This interactive process allowed human resources to work closely with its program areas to identify challenges and solutions that met its specific needs. Despite the positive collaboration with the appropriate stakeholders, the workforce plan lacked specificity, measurability, and a timeline for its initiatives. The strategies related to participating or developing advisory groups did not have a timeline for completion or did not identify deliverables to understand the benefit of those advisory groups. The human resource-credentialing program was identified as a short-term initiative, but there were not any milestones identified to track progress. Other than broad statements of two year or long-term initiatives, there was not any timeline or action plan set forth for completing the workforce strategies.

There were references to engaging business areas throughout the process and potentially needing to adjust strategies, as needed, however there was no clear process to evaluate the workforce plan. The biggest issue with evaluation was the workforce strategies did not have any metrics attached to them to identify successful implementation

or completion. For example, the succession-planning program did not identify how many leaders have gone through its program after development plans were completed. Furthermore, it appears informal mentoring was implemented successfully, but there was not a sense of how many employees were served and if CalPERS ultimately achieved a positive outcome. While the purpose of the workforce plan may not have been to provide an abundance of past detail, it could have helped identify where CalPERS needs to focus moving forward. Overall, there is a plethora of strategies that have or will be completed; however, clear outcomes of those successes could not be identified or lessons learned.

CalTrans Workforce Plan Analysis

CalTrans' workforce plan received an overall score of 7 points out of 15 possible points, which ranks as fair. CalTrans' workforce plan ranked fair because they acknowledged being in the early phases of the workforce planning process. Due to CalTrans' size (about 20,000 employees) and complexity (400 different classifications), CalTrans decided to parcel out the workforce plan by occupational group compared to a plan that reflects its entire workforce. The administrative services and CEA workforce plans were available, which were completed in 2010 and did not identify a timeframe for next steps.

Executive support did not appear at the forefront of CalTrans' workforce plan. Compared to the rest of the workforce plans, CalTrans did not have a message from a leadership figure explaining the purpose and value of undergoing the workforce planning process. On a positive note, CalTrans was the only department that outlined a governance

structure, which included project sponsors, a stakeholder group, and a design team dedicated to guide the workforce planning process. This led to a lower ranking in the executive sponsorship category because there was not much evidence that executives across the organization were involved in the workforce planning process or would be in the future.

CalTrans' alignment with the strategic plan also received low marks because it was not identified if the department possessed a strategic plan. One of the workforce planning documents provided the department mission, but not any goals, objectives, or values were mentioned. Therefore, I could not definitively state the workforce plan aligned with the purpose of its strategic plan if I was not able to refer to any strategic planning materials. The driving factor for the workforce plan did not appear internally motivated, but rather externally driven. CalTrans' workforce planning efforts appeared responsive to identifying the risk its department is encountering with aging employees. The Bureau of State Audits identified CalTrans as one of the highest risk departments of losing its trained workforce due to retirements and that appeared to serve as a catalyst for CalTrans to undergo this effort (CalTrans, 2015).

CalTrans successfully collected data elements for CEAs and the administrative workforce occupational groups. They collected age demographic data on each position, division, and by district since its organization spans across the state. They completed a projection analysis to identify what the future workforce gaps will be based on past data (i.e. vacancies, attrition rate, etc.). For instance, they identified 58 percent of its Staff Services Manager (SSM) IIIs were eligible for retirement, 47 percent of its SSM IIs, and

60 percent of its SSM Is. Additionally, CalTrans prioritized planning for CEAs because of its 105 CEA positions, they are projecting 70 vacancies in the next five to ten years (CalTrans, 2015).

While CalTrans' workforce planning documents revealed they are in the beginning stages of workforce plan development, CalTrans did demonstrate a promising implementation approach. They identified a governance structure to guide them on this long-term planning project, which reveals they will involve stakeholders so that decisions can be made and implemented with the input of all relevant business areas. This governance structure identifies the project sponsor, stakeholder group or steering committee, and the design team. This approach may serve CalTrans well in moving its workforce planning from data collection to identifying and prioritizing specific workforce strategies.

The evaluation component received zero points because CalTrans has yet to solidify which strategies will be implemented. CalTrans stated in the workforce plan that evaluation would be completed once workforce strategies were developed, approved, and implemented (CalTrans, 2015).

Leadership, Recruitment, and Retention As the Focal Points of Workforce Strategies

The second part of Table 6 identifies what types of workforce strategies were included in each of the five departments' workforce plans. All departments focused on leadership development, while four of the five also emphasized recruitment and retention

(the Appendix includes a full list of the departmental workforce initiatives). The paragraphs that follow provide a summary of some of the common workforce strategies.

Under the auspices of the fear of losing employees to retirement, succession planning specifically at the leadership level was a focal point in all workforce plans. CalTrans prioritized workforce planning for its executives at least in part because there were critical risks identified for the need to complete knowledge transfer and leadership development. Specific workforce strategies to mitigate the risks of losing key leaders were consistent through leadership development and knowledge transfer mechanisms. Such strategies included formal and informal mentoring programs, starting leadership competency development earlier in employee careers, and supervisor training academies. For knowledge transfer, some strategies were as simple as updating and documenting policies and procedures and making experienced employees available to staff whether that was through forums or mentoring.

Recruitment strategies were less robust than the number of leadership development initiatives, however a majority of the departments identified targeted recruitment efforts at hard-to-fill positions. Of the four departments that identified recruitment strategies, three of them identified specific classifications that merited specialized attention to hiring quality candidates. Also, two departments mentioned expanding recruitment efforts through mobile devices or other web-based channels not offered statewide. Another similarity across these two departments was the need to improve the application process experience for candidates to enhance overall recruitment success.

Retention strategies identified by departments were related to collecting data to better understand their retention challenges and upward mobility opportunities. Three of the four departments that included retention strategies identified the need to implement or better utilize its exit survey information. In addition, two of the four departments indicated the need to assess employee retention prior to an exit survey. Some of the retention strategies identified engaging employees in climate surveys and earlier in employment during the onboarding process. Departments also emphasized upward mobility opportunities such as improving internal staff's ability to promote within the department and assessing training curriculum. Last, multiple departments also mentioned developing or enhancing their employee recognition programs to reward positive employee behavior. Overall, departments are planning to or have implemented a variety of employee retention strategies.

Cumulatively, the five departments produced over one hundred workforce strategies that are in development, in a conceptual phase, or completed. These strategies spanned many topics and needs from leadership, recruitment, retention, sustainability, organization structure, and many more. For departments thinking of workforce planning or wanting to improve their efforts, these five departments' existing workforce plans can provide ideas of how to initiate the process and implement specific strategies. There are various workforce planning strategies identified in these existing workforce plans that could assist other departments. While the specifics may vary, I thought it extremely important to acknowledge the work completed and value of some of the groundwork already been laid by these departments.

Interviews Yield Additional Insight to Workforce Planning Efforts, Challenges, and Opportunities

I interviewed ten individuals representing seven different departments to better understand what departments thought about workforce planning. My interviews were completed with the California Department of Human Resources (CalHR), California Department of State Hospitals (DSH), the California Department of Technology (DOT), the California Employee Development Department (EDD), the Office of Statewide Health Planning and Development (OSHPD), the California State Coastal Conservancy (SCC), and the California State Teachers' Retirement System (CalSTRS). All departments that volunteered to participate in an interview either had a completed workforce plan or were in the process of developing a workforce plan. Unfortunately, I was not able to complete an interview with a department that is not undergoing the workforce planning process.

This section of Chapter 4 reveals key findings from the interviewees, which yielded a significant amount of information related to driving factors of why departments prioritized workforce planning, identified challenges in its efforts, and lessons learned for future workforce planning efforts. The results will not be department specific due to the need to protect the confidentiality of interviewees, but are generalized based on receiving information supplied by multiple departments.

What Motivated Your Department to Undergo the Workforce Planning Process?

There were two consistent responses received as to why departments are currently undergoing or underwent the workforce planning process. The first type of response was in relation to the loss of institutional knowledge due to the aging workforce. Several departments stated this. Typically such responses went deeper than just highlighting the challenges from an aging workforce, but also identifying the value of investing the time to understand departmental workforce needs. The second type of response, mentioned by two departments, emphasized pressure the department was receiving from a control agency. These two responses reflected the two major factors in why each department invested resources in workforce planning.

Each department collected demographic data related to their aging workforce, which supported their concerns related to losing experienced staff. Identified in Table 8 below is a summary of the aging workforce of the departments interviewed.

Table 8: Employees Over the Age of 50 by Department

	Total Number of Employees	Employees over 50	
CalHR	289	39%	112
CalSTRS	845	33%	279
DSH	12,000	26%	3,120
DOT	900	40%	360
EDD	8,000	44%	3,494
OSHPD	486	52%	253
SCC	64	6%	4
Total	22,584	34%	7,679

Table 8 demonstrates that 34 percent of the employees in these departments are at the early retirement age of 50 or older. One department is an outlier of 6 percent, but for the

most part, there is significant portion of the workforce that may potentially retire soon. This compares to the statewide average of 41 percent of employees that are at least age 50 or older (CSA, 2015). Departments stated this is key reason for developing a workforce plan that generates opportunities for leadership development and the transfer of institutional knowledge.

Departments also spoke to the value of “pay now or pay later” in relation to the investment in workforce planning. While it was important to mitigate the risks of losing key employees particularly at the executive level, it was believed by departments that workforce planning was necessary to maintain services to California and set their department up for success in the future as more services are demanded or change. Each of the departments interviewed plays a critical role in providing services to Californians such as environmental safety, mental health treatment, employment support services, and improved government operations for technology and human resources.

In addition, departments stated what truly sparked action is having an executive support the planning process and dedicate time and energy to it. It was evident that executive participation and vision were critical elements throughout the workforce planning process and through implementation. Departments stated that the executive(s) either drove the process from the beginning or was critical in sharing the message. However, executive support went further than words of support, but also including support by way of allocating resources and building an infrastructure to support the workforce planning process. The two department representatives that felt slightly overwhelmed with the task of developing a workforce plan were both individually

assigned the project of workforce planning without much executive support by way of clear direction and human resources.

Those departments that stated they were reacting from pressure by control agencies were those departments that only identified one person to support the workforce planning effort. This was in addition to their other duties. Based on speaking with departments, it was evident by the responses as to which departments were fully invested in workforce planning compared to those that were either responding to control agencies or have not quite prioritized workforce planning by allocating adequate resources to ensure the initiative moves forward.

Challenges to Workforce Planning at the State Department Level

One of the key findings the interviews yielded was a better understanding of the potential barriers departments encountered when conducting their workforce planning. Each department was in a slightly different stage of their workforce planning development, but all had taken a reasonable amount of action, yet all mentioned some general themes as it relates to challenges. Those challenges include: 1) a significant investment of time upfront to collect data; 2) balancing division specific needs and gaining buy-in from each division; and 3) maintaining momentum for workforce planning during unforeseen circumstances.

All departments spoke to data collection as a key aspect of their workforce planning process and how much time was dedicated to collect such data. One department mentioned that their workforce plan had to be put on hold until they could collect all the

necessary data such as demographic information, vacancy rates, turnover rates, SWOT analytics, and benchmarks from the private sector because the state did not have any. This inevitably was pivotal in influencing their workforce plan, but there was not an infrastructure at the department level to easily collect this data. All departments have access to the Management Information Retrieval System (MIRS), which is a reporting system managed by the State Controller's Office (2016). However, the MIRS system does not include all data elements needed for workforce planning, but it does provide reports for employment history, payment history, leave balances, and position inventory for each respective department. Prior to one department's workforce planning efforts, regular workforce data elements were not collected. The interviews revealed a movement by these departments to begin tracking workforce data elements via spreadsheets customized to their own needs. The data collection process depending on the department took months to years, which heavily influenced their workforce plans.

Another key element to the data collection process is that each department took a slightly different approach. Since there was no centralized data repository for what each department needed, they had to create a custom approach for their own needs. Some departments focused only on leadership positions because that appeared to be the highest risk area and other departments took an environmental scan of their department by division or business area. Departments which began this process several years ago, in the mid 2000s, stated there was really no information available at that time so they had to go about it in a trial and error process to see what worked. Another key takeaway from some of the early adopters of workforce planning mentioned there was not a systematic way of

defining data elements so each department can work from the same definitions. For example, some departments are defining the risk of retirement based on those that are currently eligible, those that are one year out from eligibility and others are defining risk factors by five years out. That is just one example of the different departments not working from the same model as it relates to workforce planning.

Another challenge mentioned by interviewees was how to adequately include every division and their needs in the workforce plan and throughout the planning process. Some departments mentioned challenges with getting non-human resource areas to buy-in on the value of workforce planning. Departments mentioned while the human resources area is the appropriate division responsible for workforce planning, ultimately it is a benefit to the entire department, but that there were challenges with implementing a shared responsibility for implementing specific strategies. One department mentioned they could only lead the development of the tools and models for specific initiatives, but ultimately, it is up to the business areas and most importantly, supervisors to utilize them. Another department representative stated that it is difficult for business areas to also take the time to participate in workforce planning initiatives given their own strategic goals as a business area.

Similarly, a few interviewees mentioned the challenge of balancing department needs with division specific needs. Some divisions have very unique workforce needs because they have specialized classifications that may be hard-to-recruit or have a high turnover rate. These specialized needs may require a higher level of attention by the workforce planning team, but there are also department-wide initiatives the team is

responsible for. Balancing the division specific and department-wide initiatives was a challenge given the limited resources.

A key challenge identified across almost all departments was keeping workforce planning as a priority and maintaining momentum from a plan to implementation to completion. Each department stated that keeping workforce planning at the forefront of a department's agenda is challenging and implementation of workforce strategies cannot move forward unless workforce planning is viewed as a priority. Interviewees mentioned that most of the workforce strategies require decisions at the highest levels so it is necessary to have the ability to stay on an executive's radar. Two items were stated to impact whether or not workforce planning stays on a department's agenda or not and those were 1) leadership changes and 2) budget constraints.

Department representatives stated that leadership changes could risk losing support for workforce planning. If an existing leader who is driving the workforce planning process leaves and the new leader does not have the same vision for workforce planning, it is not surprising that workforce planning would no longer be a priority. One department stated that their workforce planning efforts nearly halted during a change at the directorate; however, a new leader came in shortly thereafter that was able to re-prioritize workforce planning. However, this demonstrates the volatility of workforce planning or any priority for that matter if it is not included in a leader's vision.

The next item that may lower workforce planning on the priority list is budget constraints. Multiple departments mentioned that the first line item cut from department budgets is the training line item. While workforce planning is not solely training related,

it demonstrates that training is often seen as not critical. However, one department spoke to a culture of investing in its employees and stated that the department would not cut its training budget in tough fiscal times because it is as important as other mission critical services. Departments are faced with difficult decisions and not every item is considered a priority, and unfortunately, during poor revenue years, it appears workforce planning may not be at the forefront of departments' agendas.

Lessons Learned in Workforce Planning

There were a couple lessons learned presented by the interviewees. The first lesson is related to workforce planning being a constant learning process because most human resource team members are not experts in workforce planning, but have acquired the knowledge via trial and error. The other notable lesson was that the five-year workforce planning model or scope was too long. Two different department representatives stated that workforce plans that were scoped for five years tended to be outdated quickly and hard to maintain relevance.

Each interviewee who was responsible for workforce planning at their department acknowledged they were not trained professionals in workforce planning. Most had prior human resource experience, but not much experience in conducting widespread workforce planning. However, one consistent aspect about most of the interviewees were they were genuinely passionate about investing in their departments' workforce and implementing some sort of change in day-to-day business. Based on the interviewee responses there were a couple of critical skills they mentioned as being necessary to be

able to conduct workforce planning for whomever is tasked with the responsibility: knowledge of human resource rules and regulations, some type of project management experience, and organizational change management.

Exacerbating the challenge of departments not having trained practitioners in this field, was that the availability of tools and resources on these topics were not tailored to those beginning the workforce planning process. Department representatives mentioned challenges with understanding the existing resources since they did not have a background in workforce planning. However, some interviewees stated there is recently an increase in the availability of workforce planning tools such as models, best practices, and other items.

The lesson learned stated by two of the seven departments was shortening the time period of the workforce plan that would allow for more flexibility. Shorter cycles as opposed to five years enabled the departments to more frequently refresh their plans because five years allows for a significant amount of factors that could outdate a workforce plan. Instead, one department created a general framework of overarching goals and refreshed the plan every year for specific strategies to ensure they are still relevant, necessary, and effective. While this approach may not work for every department, it was notable that experienced departments in workforce planning were aiming to do shorter cycles of planning as opposed to a five year or longer model. The two departments reflecting on this lesson learned had previously had five year workforce plans, but stated a shorter period could be more effective.

Workforce Planning Well Underway, but Not Without its Challenges

Throughout the assessment process for existing workforce plans and speaking with multiple departments, it is evident that workforce planning is a relevant topic and a point of concern. Every department that I investigated during this study invested some amount of time, resources, and effort to understanding their workforce needs. Despite departments' efforts in workforce planning, it is clear there are opportunities for improvement such as measurability and time specification for workforce strategies and clearer guidelines on how the department will evaluate its efforts. Part of these opportunities may reflect that departments are trying things as they go and learning from their challenges. Most departments mentioned workforce planning as an evolving process and are aiming to continually improve. Overall, departments have worked diligently on workforce planning, but will have their work cut out for them to improve and maintain workforce planning as a priority in the face of competing priorities.

Chapter 5

KEY FINDINGS AND RECOMMENDATIONS

Based on the growing trend of an aging workforce in California agencies, I assessed to what extent agencies are planning for the possibility of losing their trained workforce to retirement. Building on existing literature, I developed an analytical framework to examine the quality of five existing workforce plans and identify what type of workforce strategies those departments intended on implementing. In addition, I interviewed representatives of seven departments to better understand the underlying motivations and challenges of departments to commit to workforce planning. This concluding chapter summarizes key findings, provides recommendations for workforce planning in California state government, and identifies opportunities to build on this research.

Adequate Workforce Planning of Those Departments Committing to It

I found evidence that at least those California departments with existing workforce plans have begun preparing for losing their most experienced employees. While I only assessed five workforce plans in-depth and spoke to seven departments, all of these departments provided promising information to justify they are aware of the issue and planning for it. However, not many departments have a completed workforce plan.

More specifically, my first general finding is that few state departments possess workforce plans and even fewer provide plans that are publically available for review.

About 14 percent of state departments (18 of 131) have an existing workforce plan and only a fraction of those plans are publicly accessible (CalHR, 2017). CalHR developed a formal policy and issued it to department directors and agency secretaries (CalHR, 2017). This policy is tracking annual updates of departments' workforce or succession plans and the status of those plans. The policy notates a requirement for departments to have a workforce and succession plan, however there is no formal recourse if departments do not respond to this requirement.

The second finding is that all five departments' workforce plans I analyzed exhibited good quality. Cumulatively, the five departments' workforce plans received 10.4 points out of 15 possible points in the framework I developed. There were mixed results in the executive support category. Most departments had clear executive support via an introductory message in their workforce plan, but three departments did not identify how they intended to maintain support throughout the implementation process. Departments excelled in their ability to align their workforce plan with their strategic direction. All but one department specifically tied their workforce plan to department goals and assessed external factors driving their workforce needs. Another point of strength in the departments' workforce plans was their data collection efforts. All departments collected data that shaped their workforce strategies to mitigate risks to losing leadership positions or fill gaps in hard-to-recruit positions. By contrast, the implementation category displayed opportunities for improvement specifically related to prioritizing strategies and identifying metrics to monitor progress. Some departments did this well, but most could improve in this area. In addition, few departmental plans

included a clear evaluation mechanism. Some departments referenced evaluating their plans, but most did not identify a tangible process to evaluate the plan throughout implementation and upon completion to understand the impact of the strategies implemented.

The third finding is related to the aging workforce acting as a primary driver or catalyst for departments to allocate resources to workforce planning. While departments also identified recruitment and retention strategies, it appeared leadership and knowledge transfer were at the forefront for most departments. This sentiment was also reinforced in the department interviews. Even for those departments where a large portion of their workforce was not retirement eligible, they identified a few key leaders who were, and that was enough to justify developing workforce strategies to combat the risk of losing their expertise. As noted in Chapter 4, the departments in this study have a large percentage of their workforce at or above age 50 or within five years of 50. The departments studied are collecting the appropriate demographic information and analyzing it, which has resulted in producing tangible strategies to thwart the risk of losing valuable employee experience.

The fourth finding, derived from my interviews, pertains to the steep learning curve for workforce planning teams. Departments spoke to their workforce planning efforts and most not being trained professionals in organization development particular in the scope of entire workforce and succession plans. Department officials mentioned deploying a trial and error perspective and have learned from their challenges to improve future workforce planning efforts. For five of the seven departments interviewed, this was

the first time they have developed a workforce plan. Departments stated not having readily available practitioners in this field, however they spoke to tools and resources becoming available in the field of workforce planning.

Additionally, my interviews identified a problem with maintaining workforce planning as a departmental priority. While departments felt workforce planning is worth the time invested, it is challenging to maintain executive and department support for workforce planning in the context of increasing or changing services their departments are tasked with. Human resource teams must balance workforce planning with other mission critical assignments. In addition, the rest of the business areas have their day-to-day issues, yet workforce planning requires feedback and support from leadership across division areas. Departments are faced with vying for a limited amount of time and resources to implement the workforce plans they have developed.

Recommendations to Increase, Support, and Improve Future Workforce Planning

The recommendations provided in this section are based on the findings and analysis in Chapter 4. Most of the recommendations are broad, but are all aimed at either increasing the number of departments that have workforce plans, improving the quality of workforce plans, or improving any future efforts. Some recommendations are directed at CalHR as the state's human resource oversight agency, however, all of these recommendations are for California departments statewide.

- 1. Increase the number of departments with a workforce plan by developing an incentive for departments to comply with CalHR's new policy*

In February 2017, CalHR issued a new policy to require state departments to submit a workforce and succession plan, however there is no reprimand or incentive for departments to meet this mandate (CalHR, 2017). Rather than a reprimand, I recommend CalHR develop an incentive for departments to meet the mandate of developing a workforce plan. A punishment may do more damage than good because in the interview process, departments who already had a workforce plan discussed the challenges of resource constraints and competing priorities. Punishing departments experiencing challenges may not be the best alternative. Comparatively, an incentive may encourage departments to develop and submit their workforce plans to CalHR particularly if that incentive is tied to their workforce planning efforts. An incentive can include training credits, consultation or other technical assistance from CalHR to encourage departments to complete a workforce plan. With an incentive tied to workforce planning efforts, departments may feel encouraged by establishing a collaborative relationship with CalHR as opposed to an authoritative approach.

2. Departments undergoing the workforce planning process should establish an interdepartmental governance structure to guide their workforce planning efforts

In all of the workforce plans analyzed in my research, only one department developed a governance structure to guide the human resources team in planning, developing, and implementing the workforce plan. A governance structure has value in assisting those responsible for developing and implementing any project so that decisions can be made, resources can be allocated, and feedback can be solicited from those business areas impacted. A governance structure may include executive project sponsors, a steering committee, planning team, and workgroups with subject matter experts to

handle specific issues. This ensures there is executive support and that all business areas are involved in the planning and implementation process. In addition, this makes the workforce plan a shared vision as opposed to a purely human resource division driven project. A governance structure may also establish accountability for the success of the plan and evaluating it throughout so that issues may be mitigated. The exact structure can differ by department, but the main point is identifying roles and responsibilities across the department so that the workforce plan is set-up for success.

3. *CalHR and departments should work collaboratively to establish a repository to collect, store, and extract workforce data*

Departments in this study expended a great deal of effort to collect data because there is no central location to pull from or the information had never been collected before. Departments individually collected historical, current, and projected future data. There were no standards for what data should be collected, how it should be collected, how it should be maintained, or where to get retrieve workforce information. A centralized data repository can ensure departments are all collecting alike data, can compare against past and current years, and compare against other departments, and identify statewide baseline data. Departments with publically available workforce plans all collected similar data elements, but approached it differently and defined metrics inconsistently. It was hard to compare against one another or establish a baseline since every department did it a little bit differently. A centralized data repository that allowed departments to store their already collected data and submit future data may greatly benefit future workforce planning efforts so departments do not have to consistently invest up-front time in future workforce plans. Departments mentioned collecting

workforce data via a customized spreadsheet, which may be difficult to analyze multiple years, department comparisons, classification comparisons, and statewide averages.

Aggregate department level data such as age demographics, retirement eligible employees, separation reason, vacancy rates, and turnover rates can be helpful to know for each department. Having easily accessible data may also encourage other departments that are limited in resources to know where and how to get some of the workforce planning data. Transparent data has a high value for departments, but also for public consumption.

4. *Collaboratively with CalHR, departments should develop a training and curriculum for human resource staff who will lead their department's workforce planning efforts*

Departments spoke to the lack of initial knowledge of how to approach developing a workforce plan. As indicated in the summary of findings, departments struggled with workforce planning because they did not have trained professionals in this field. Therefore, CalHR and departments should develop a curriculum and implement a train-the-trainer workshop for human resource professionals at the department level. This will give those responsible for workforce planning the basic knowledge, skills, and tools to initiate the workforce planning process. This may influence departments to develop a workforce plan because there are supportive activities readily available for their staff.

5. *Identify a palatable statewide workforce challenge and implement a statewide solution to solve the challenge*

To build momentum for workforce planning, CalHR should identify a specific statewide challenge impacting departments and work collaboratively with departments to solve it. This should not be a tough statewide challenge, but a “low-hanging fruit”

challenge that can be solved quickly so that departments are able to identify the value of workforce planning and see the time is worth the investment. Based on the existing workforce plans available and the Statewide Workforce Planning Report (CalHR, 2016), departments do experience alike challenges such as competency development in the public sector and compensation disparity with other employers. While those are macro-level challenges, perhaps one classification across many departments is chosen to study and enhanced in some capacity. If CalHR can work with departments to assist in one very specific challenge and implement a solution, departments may be see the value-add of continuing down the path of workforce planning.

Opportunities for Further Research and Development in Workforce Planning

My study aimed at assessing the quality of a limited number of departmental workforce plans and interviewing representatives of select departments to understand their motivation and challenges in workforce planning. While my study yielded some insight, it also sets the stage for other researchers or public sector agencies to build on the issue of an aging workforce and how state departments are planning for this. In this section, I will highlight a couple of areas that my research could be expanded on.

The first area of research to continue to track is the trend of the aging workforce and whether or not the baby boomer generation completes a mass retirement exodus. The workforce has undoubtedly gotten older; however, employees could be working longer, which gives departments more time to study this issue. The retirement behavior should

continue to be monitored and workforce planning should account for if employees are working longer.

Furthermore, the workforce plans that I assessed were all in progress and I focused on the mechanics of how to develop a workforce plan. Further research could analyze the specific workforce strategies implemented and the effectiveness of each strategy once the workforce plans are completed. A researcher could monitor these plans from start to finish to identify which strategies were impactful for departments. Each workforce plan identified several workforce strategies and it would be helpful to understand how many initiatives were completed, incomplete, and what type of impact they had. This evaluation can then help inform future workforce planning efforts.

Originally, my study was intended to analyze departments which did not have workforce plans or have not considered workforce planning a significant issue; however I was not able to connect with any of those departments. Since there are so few departments with workforce plans, it is imperative to understand the motivations and challenges for those departments where workforce planning is not at the forefront of their agenda. Some of recommendations may assist with improving the number of workforce plans submitted to CalHR, however, learning from the departments who have not prioritized this issue can help inform how to best support them moving forward. It remains to be seen how departments will respond to CalHR's new requirement to submit a workforce plan, but investigating the environment from departments who have completed no planning may yield additional insight.

Window of Opportunity for California Agencies to Build on Workforce Planning Efforts

California state agencies have the potential to adequately conduct workforce planning. The California departments I studied that had engaged in workforce planning provide models that can strengthen the entire state workforce. However, not enough agencies are conducting workforce planning overall. It appears that the baby boomer generation is not retiring as quickly as previously projected, which presents California with a window of opportunity to continue to improve its workforce planning efforts. This thesis provides some preliminary recommendations to enhance existing workforce planning efforts, but also increase the number of agencies conducting workforce planning. I am encouraged by the existing workforce plans and departments interviewed that California can survive the silver tsunami or other demographic changes.

Appendix A

California Department of Human Resources (CalHR) Workforce Plan Rubric			
Criteria	Scoring Criteria	Score	Evidence
Executive Support	Message from leadership	1 point	A letter of support from the Deputy Director of Operations
	Executive participation in workforce planning process	1 point	The scope and direction of the workforce plan included executives from each division
	Planned executive updates throughout implementation	1 point	Accountability and communication plan includes updates to executives quarterly
Strategic Plan Alignment	Identified organization mission, goals, and objectives	1 point	Includes the strategic direction of the workforce plan which includes mission, vision, goals, and values
	Aligned workforce plan with one or more strategic plan goals	1 point	Workforce plan aligns with CalHR's second goal of "further developing CalHR's team of experts"
	Identified external factors influencing their workforce (i.e. cultural, fiscal, technology, etc.)	1 point	Reference to the recent history of CalHR's establishment and the impact of the Civil Service Improvement initiative.
Data-Driven	Collected and analyzed data of current workforce (i.e. demographics, classifications, etc.)	1 point	Included job classification, current assignment, ethnicity, gender, and age demographics and compared CalHR workforce to statewide averages.
	Projected future demand of their workforce	1 point	Mapped historical separation data and projected one-year to identify potential gaps in workforce.
	Identified gaps in mission critical positions	1 point	CalHR identified specific programs that were hard-to-recruit for such as the Savings Plus Program, In Home Health Support Services Program, and Legal Services
Implementation	Included an action plan defining who, what, and when	1 point	Action plan in Appendix B outlines what workforce strategies will be completed by who and when
	Prioritized risks and workforce strategies or identified a structure to prioritize	0 points	Workforce initiatives were broken down as short-term and long-term, but there was not any evidence of prioritization
	Included a process to receive feedback from divisions	1 point	References to addressing the plan at an all-staff meeting and manager's sharing at team meetings to answer questions
Evaluation Process	Identified key performance indicators or milestones	1 point	Action plan includes one proposed key performance indicator per workforce strategy/initiative planned
	Established a process to evaluate the plan throughout and adjust as needed	0 points	Communication plan refers to providing updates and ensuring available resources, but no reference to how challenges will be addressed or if the scope of the plan needs to change
	Included a communication plan to report progress, challenges or key updates to appropriate stakeholders	1 point	Communication plan includes accountable parties at every level of the organization, which includes reporting frequency
Total		13 points	Overall ranking is excellent, with only two categories not receiving points for prioritization of strategies and established a clear process to evaluate the plan throughout implementation.

Appendix B

California State Teaches' Retirement System (CalSTRS) Workforce Plan Rubric			
Criteria	Scoring Criteria	Score	Evidence
Executive Support	Message from leadership	1 point	A message of support from the Chief Operating Officer
	Executive participation in workforce planning process	1 point	Section dedicated to executives as key drivers in establishing foundation of competencies
	Planned executive updates throughout implementation	0 points	References to executive input for certain strategies, but no formal and regular communication identified with executives
Strategic Plan Alignment	Identified organization mission, goals, and objectives	1 point	Includes the strategic direction of the workforce plan which includes mission, vision, goals, and objectives
	Aligned workforce plan with one or more strategic plan goals	1 point	Through the strategy map and internal organizational assessment, workforce plan identifies support for all goals
	Identified external factors influencing their workforce (i.e. cultural, fiscal, technology, etc.)	1 point	Conducted an internal strengths, weaknesses, opportunities and threats (SWOT) assessment, some threats were external
Data-Driven	Collected and analyzed data of current workforce (i.e. demographics, classifications, etc.)	1 point	Completed a supply analysis of staff demographic data (age and position level) from years 2008-2012 and analyzed turnover rates
	Projected future demand of their workforce	1 point	Based on supply analysis projected future staffing needs including best and worst case scenarios accounting for attrition rates
	Identified gaps in mission critical positions	1 point	Identified mission critical positions that were hard-to-recruit and retain in the Customer Services Division, Investment Officers, Portfolio Managers, and Pension System Accounting
Implementation	Included an action plan defining who, what, and when	1 point	Includes a year by year action plan of workforce initiatives grouped by strategy type
	Prioritized risks and workforce strategies or identified a structure to prioritize	1 points	Workforce strategies are diverse and numerous and CalSTRS identified a clear plan to prioritize the recommended workforce strategies
	Included a process to receive feedback from divisions	1 points	References engaging division and business areas in the strategic direction of the workforce plan and completed projected staffing needs for each division at the department
Evaluation Process	Identified key performance indicators or milestones	0 points	Year by year action plan did not included performance indicators, measureable objectives or identify completion criteria
	Established a process to evaluate the plan throughout and adjust as needed	1 point	Accounted for updating the plan once branch specific gap analysis has been completed
	Included a communication plan to report progress, challenges or key updates to appropriate stakeholders	0 points	There was not a communication plan or accountability mechanism to regularly update executives or continuously involve key stakeholders
Total		12 points	Overall, ranking is good. CalSTRS did an excellent job of collecting and analyzing data, identifying a diverse set of workforce strategies, however did not clearly identify how they will and continue to engage stakeholders to assess whether or not the strategies are effective.

Appendix C

California Office of Emergency Services (CalOES) Workforce Plan Rubric			
Criteria	Scoring Criteria	Score	Evidence
Executive Support	Message from leadership	1 point	A letter of support from the Chief Deputy Director
	Executive participation in workforce planning process	1 point	Several executives were responsible for sponsoring workforce initiatives such as the leadership development program and the new employee orientation
	Planned executive updates throughout implementation	0 point	Only one initiative referenced updating executives and that was the long-term initiative of strategic planning
Strategic Plan Alignment	Identified organization mission, goals, and objectives	1 point	Includes the strategic direction of the workforce plan which includes mission, vision, goals, and values
	Aligned workforce plan with one or more strategic plan goals	1 point	Workforce plan aligns with CalOES' fifth goal of "developing a united and innovative workforce"
	Identified external factors influencing their workforce (i.e. cultural, fiscal, technology, etc.)	1 point	Refers to salary comparisons to private sector and legislation impacting classification's compensation
Data-Driven	Collected and analyzed data of current workforce (i.e. demographics, classifications, etc.)	1 point	Collected age demographic data by division and classification
	Projected future demand of their workforce	1 point	Mapped historical separation data and projected one-year to identify potential gaps in workforce.
	Identified gaps in mission critical positions	1 point	Listed classifications that are a high risk of losing knowledge employees such as fire and rescue and law enforcement
Implementation	Included an action plan defining who, what, and when	1 point	Action plan in Appendix C outlines what workforce strategies will be completed by who and when
	Prioritized risks and workforce strategies or identified a structure to prioritize	0 point	Workforce initiatives were broken down as short-term and long-term, but there was not any evidence of prioritization
	Included a process to receive feedback from divisions	0 point	Of the ten initiatives, only the strategic planning initiatives referred to collaborating or soliciting feedback department wide
Evaluation Process	Identified key performance indicators or milestones	1 point	Action plan includes multiple key performance indicators per workforce strategy/initiative planned
	Established a process to evaluate the plan throughout and adjust as needed	0 point	No evidence included in the plan on overall reporting structure, identification of how challenges will be addressed, or process of adjusting the scope of the plan throughout implementation
	Included a communication plan to report progress, challenges or key updates to appropriate stakeholders	0 point	Other than the strategic planning initiative, it was not clear who progress would be reported to or how divisions would be included throughout implementation
Total		10 points	Overall ranking is good, particularly in the identification of mission critical positions. However, there was not a clear communication process to include executives or divisions.

Appendix D

California Public Employees' Retirement System (CalPERS) Workforce Plan Rubric			
Criteria	Scoring Criteria	Score	Evidence
Executive Support	Message from leadership	1 point	A letter of support from the human resources executive
	Executive participation in workforce planning process	1 point	Human resources staff reached out to executives and senior staff to obtain workforce data, challenges, and needs
	Planned executive updates throughout implementation	1 point	Executive support is consistent in plan (i.e. organizational health index initiative and through an advisory committees)
Strategic Plan Alignment	Identified organization mission, goals, and objectives	1 point	The goals, values, strategic focus of this plan are clearly identified in addition to a link to the strategic plan
	Aligned workforce plan with one or more strategic plan goals	1 point	Aligns with CalPERS' goal of "cultivating a high-performing, risk intelligent and innovative organization"
	Identified external factors influencing their workforce (i.e. cultural, fiscal, technology, etc.)	1 point	Identifies the public vs. private sector challenge and analyzes trends in the economy and labor market.
Data-Driven	Collected and analyzed data of current workforce (i.e. demographics, classifications, etc.)	1 point	Identifies the age demographic of employees by division, those eligible for retirement, and turnover rate
	Projected future demand of their workforce	0 point	No projections of future demand of their workforce
	Identified gaps in mission critical positions	1 point	Identified mission critical positions that were hard-to-recruit and retain such as the Investment Management series and Pension Financial Accounting
Implementation	Included an action plan defining who, what, and when	0 point	A diverse set of workforce strategies were described, but there was not an action or implementation plan listed
	Prioritized risks and workforce strategies or identified a structure to prioritize	0 point	Workforce initiatives were broken down as short-term and long-term, but there was not any evidence of prioritization
	Included a process to receive feedback from divisions	1 point	A service level agreement with human resources and each division existed to maintain ongoing communication
Evaluation Process	Identified key performance indicators or milestones	0 point	Demonstrates success in past workforce initiatives, yet the future initiatives do not identify measurements to track progress
	Established a process to evaluate the plan throughout and adjust as needed	0 point	Acknowledges adjusting the plan as necessary, however no specific plan on how this would be accomplished
	Included a communication plan to report progress, challenges or key updates to appropriate stakeholders	1 point	The plan states human resources continually engages and serves the other divisions via the service level agreement
Total		10 points	Overall, ranking is good. The workforce plan demonstrates a focus on alignment with the direction of the organization and consistently working with divisions. However, there was minimal detail on the implementation process.

Appendix E

California Department of Transportation (CalTrans) Workforce Plan Rubric			
Criteria	Scoring Criteria	Score	Evidence
Executive Support	Message from leadership	0 points	There was not a message or letter directly from an executive
	Executive participation in workforce planning process	1 point	In the administrative occupational workforce plan, two executives were identified as the project sponsors
	Planned executive updates throughout implementation	0 points	Based on the available workforce planning documents, CalTrans had not reached the implementation phase
Strategic Plan Alignment	Identified organization mission, goals, and objectives	0 points	The mission statement was provided, but none of the goals, objectives, values or link to strategic plan for review was listed
	Aligned workforce plan with one or more strategic plan goals	0 points	No goals were listed from strategic plan or in general
	Identified external factors influencing their workforce (i.e. cultural, fiscal, technology, etc.)	1 point	Mentioned the Bureau of State Audit's findings of their department and risk of a large portion of their workforce aging
Data-Driven	Collected and analyzed data of current workforce (i.e. demographics, classifications, etc.)	1 point	Provided detailed information on administrative and career executive assignment classifications (i.e. age and separations)
	Projected future demand of their workforce	1 point	For the administrative occupational group, projected out three years of supply accounting for attrition and workload
	Identified gaps in mission critical positions	1 point	Focused on the career executive assignment classification, as stated 70 percent are age 50 or older
Implementation	Included an action plan defining who, what, and when	0 points	Acknowledgement that strategies are proposed and once finalized, an action plan will be developed
	Prioritized risks and workforce strategies or identified a structure to prioritize	1 point	While there were not many proposed strategies identified, CalTrans established a governance structure to make decisions and referencing this structure would prioritize initiatives
	Included a process to receive feedback from divisions	1 point	Included in the governance structure were from the leaders from each division
Evaluation Process	Identified key performance indicators or milestones	0 points	The strategies listed were only proposed so performance indicators had not be identified or documented
	Established a process to evaluate the plan throughout and adjust as needed	0 points	Acknowledgement that until strategies are identified and prioritized, evaluation cannot take place
	Included a communication plan to report progress, challenges or key updates to appropriate stakeholders	0 points	Despite members of a governance structure being identified and what they are tasked with, there was no identification of when, how, or the frequency of this project team would be meeting
Total		7 points	Overall ranking is fair, which reflects mainly where CalTrans was in the workforce planning process. The workforce plans only reflect CalTrans' completion of the data collection phase.

Appendix F

Workforce Strategies/Best Practices			
Department	Leadership	Recruitment	Retention
California Department of Human Resources (CalHR)	<ul style="list-style-type: none"> Assess employees training history and develop training plans Develop and implement a leadership plan Explore, develop, and implement a job rotation program Establish a mentoring program 	<ul style="list-style-type: none"> Collect on-boarding and off-boarding data Develop and implement targeted recruitment strategies for hard to recruit positions 	<ul style="list-style-type: none"> Collect retention data Develop and implement an employee recognition program Conduct a career path review for each division Explore, develop, and implement “stay interview” program or engagement or climate survey
California State Teachers’ Retirement System (CalSTRS)	<ul style="list-style-type: none"> Executive development program and open to lower level employees Leadership forums Manager academy Further incorporate generational complexity into management training Develop a “Leave a Legacy” program Facilitate workshops with senior staff to share their knowledge Encourage and allow regular job shadowing opportunities at all levels of the organization Exploit cross training through formal training and development assignments Develop and implement a formal mentorship program Initiate a campaign to educate leaders and veteran CalSTRS employees on the importance of sharing knowledge 	<ul style="list-style-type: none"> Complete a pension program classification study Finalize the establishment of the pension financial accounting classification Pursue statutory positions for the Chief Financial Officer and Chief Operating Officer Align and update the classification specification and compensation levels for the Deputy Chief Investment Officer Further expand recruitment through web-based recruiting channels Update the career page on CalSTRS.com Establish a job aid to assist potential candidates in navigating the open exam system Research and pilot electronic application submission process Institute a stringent enterprise-wide candidate screening process Utilize more assertive marketing language in employment opportunity bulletins Create talent management database to map current employees’ education, career path, work experience and special skills 	<ul style="list-style-type: none"> Analyze and utilize information from the exit interview questionnaire Review and analyze onboarding and employee engagement surveys Continue to promote and heavily utilize recognition program Assess the maturing Wellness and Onboarding programs Consider telework or mobile office work opportunities Continue promoting employee development through self-advocacy and personal action rather than reliance on management as driver Continue to address poor performers timely Create secondary channel for employee suggestions via a monthly contest to promote innovation and efficiencies Conduct early intervention interviews. Continue to instruct internal staff on proper interviewing, application and resume preparation techniques
California Office of Emergency Services (CalOES)	<ul style="list-style-type: none"> Formal mentoring program Six month leadership development program Supervisor success academy 	<ul style="list-style-type: none"> Intern program 	<ul style="list-style-type: none"> Establish a employee exit survey Develop an employee work survey New employee orientation program
California Public Employees’	<ul style="list-style-type: none"> Succession planning for division chiefs and manager-level positions Establish an enterprise wide competency 	<ul style="list-style-type: none"> Refine the interview and hire process for the Investment Officer classification Enhanced pre-employment screening 	<ul style="list-style-type: none"> Training curriculum review process Increase upward mobility resources

Retirement System (CalPERS)	<ul style="list-style-type: none"> model and skills assessment • Conflict management training • Emerging leader training 	<ul style="list-style-type: none"> • Recruitment application for mobile devices • Recruitment referral program 	
California Department of Transportation	<ul style="list-style-type: none"> • Reinstitute leadership training classes and open leadership classes to non-managerial positions • Reinstate the executive development program to allow more participants • Hold open forums for participants in leadership courses to conduct knowledge transfer • Identify opportunities for low-cost training opportunities such as e-learning • Develop in-house training tools • Update internal departmental library with leadership materials and resources 		

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