

## Chapter 4 - The Future of Workforce and Succession Planning in FHWA

Workforce planning and succession planning cannot be one-time occurrences - these practices must become institutionalized. Initially, FHWA will implement many of the first round recommendations of the Task Force. Some will result in discreet, one-time improvements. Others will result in programs or practices that will be ongoing and continuous in nature. Most importantly, the machinery will have been set in motion to address many workforce and succession planning issues as they develop rather than after they have become problems for the agency. This chapter deals with the institutionalization of workforce planning and succession planning in the FHWA.

Workforce planning and succession planning are closely related. Both involve changing the workforce. Workforce planning deals with changing the size, distribution, and composition of the workforce to meet future needs in an orderly, controlled, and efficient manner. It focuses on the workforce as a whole. Succession planning focuses on people. It deals with replacing people or specific groups of people in the workforce. Attrition occurs naturally in any organization. Succession planning attempts to respond to attrition by ensuring that there are well-qualified people ready to assume critical positions in the shortest possible time when vacancies occur. Workforce planning and succession planning must occur simultaneously at the agency level and the at the unit level. At each level the considerations are different - different individuals are responsible, different methods are appropriate, and different time frames and cycles may apply. But the products of workforce and succession planning at the two levels must be totally compatible to achieve optimum performance. To achieve this consistency, all workforce and succession planning activities throughout the agency must use common assumptions about the future and employ a common database. Workforce and succession planning must be fully integrated throughout FHWA.

The objective is to develop a workforce planning system that meets the specific needs of the agency and its respective units and is fully aligned with FHWA's strategic, business, and administrative (budget, recruiting, and employee development) systems. The remainder of this section addresses the key questions of who should be responsible for workforce and succession planning at the agency and unit levels, how should workforce and succession planning be done at each level, and when should it be done to have the greatest impact on business results.

### 4.A. Responsibility for Workforce and Succession Planning

#### Agency Level

The Task Force approach was used for the first round of workforce planning for the agency. While this served well as an initial effort, it is not a suitable approach for performing regular workforce planning over the long term. Dedicated full time staff and better resources to allow for more detailed and sophisticated analyses are needed. The Task Force approach did serve to illustrate the value of having a broad group of agency leaders provide oversight to the effort. That should continue.

In reality, workforce planning decisions are greatly influenced by political, legal, and budgetary considerations that may be external to the agency and beyond its ability to control. They also are influenced by and/or influence many internal activities over which the agency does have control, such as business and strategic planning, professional development, training, budget, recruiting,

etc. Agency leaders most familiar with these related activities, especially the managers of Professional Development and Human Resources, must continually be aware of and guide the workforce and succession planning activities of the agency. Leaders representing units most impacted by workforce planning decisions, especially field units, must be involved in guiding these efforts. Ultimately, decisions regarding further changes in workforce size, distribution, and composition will be policy decisions of the agency leadership. The decision makers, be they the Administrator, the Executive Director, the Management Council, or the Leadership Team, will require sound advice from agency leaders most knowledgeable about workforce planning and its interaction with other key processes.

**ACTION 34:** Form a team to oversee the development and implementation of a workforce planning system.

Decision makers will also need the advice of workforce planning professionals. The Task Force experience emphasized the importance of having full-time dedicated staff devoted to the task of workforce planning. The Task Force was able to make use of staff from the Professional Development and Human Resources SBUs as well as consultants, but agency level workforce and succession planning, properly done, will require a much greater level of sophistication and effort. The management of such an effort is beyond the scope of any task force. Because of the importance of workforce planning to the agency, there should be a lead staff person with extensive workforce planning experience and ready access to agency leadership. This should be a fairly high level individual, preferably a GS-15, who would guide future workforce and succession planning on a day-to-day basis.

**ACTION 35:** Establish a full time Workforce Planner position within the Administration Service Business Unit.

#### **The Unit Level**

Workforce and succession planning at the unit level seldom involves Congressional action, regulatory changes, large budgetary impacts, or major policy implications. Because the considerations at the unit level are not as complex and the process is often constrained by decisions already made at the agency level, workforce planning can be done by the staff of the respective units. Unit managers usually have first hand knowledge of their employees and are in the best position to perform and direct the analyses. The Task Force determined that no changes to responsibility for workforce and succession planning at the unit level are necessary. However, it is suggested that each unit designate a staff person as a contact and coordinator for workforce and succession planning issues in order to complement the systematic approaches of agency level workforce planning and to assist with maintenance of workforce related data.

## **4.B. Execution of Workforce and Succession Planning**

### **Agency Level**

The Task Force considered several conceptual models for performing agency-wide workforce planning. While there were variations, all adhered to the same basic cycle: (1) establish future workforce needs based on strategic goals and environmental forecasts, (2) assess current workforce capabilities, (3) analyze the gaps between the current capabilities and future needs, (4) develop strategies to close the gaps, and (5) evaluate results, update assumptions and data, and perform additional iterations. This approach is sound and should guide future workforce and succession planning within FHWA.

To the extent possible, this workforce planning process should be automated to minimize the staff effort and to provide consistent data and information across the agency. Computer programs currently in use by the Office of Human Resources are capable of performing some of the needed analyses, but not all. Additional programs will be needed to analyze and project skills-related information. A variety of workforce planning software packages are used by other agencies and the private sector. The Task Force considered some of these programs, but only superficially. The effort involved for in-depth evaluations of the various software packages is best left to agency HR professionals.

Before proceeding with development of any system, a more thorough investigation of commercially available and public domain software is warranted so that FHWA can take advantage of the work of others in this field. The Workforce Planner (see [Action 35](#)) may in fact already be familiar with much of this software, and he or she should advise leaders on those best suited to FHWA's needs. For that reason, any decision to acquire additional software should be deferred until the Workforce Planner position is filled. At that time, the investigation and recommendation of software should be a high priority for the person selected.

Even with sophisticated software, it may never be possible to achieve a true optimum workforce in a mathematical sense. However, an automated workforce planning process can provide a much stronger basis for making decisions than the informal processes used today. More informed decisions are the key to continuous improvement, moving ever closer to that "ideal" workforce as priorities change and opportunities present themselves. If the FHWA is to have the right people with the right skills in the right place at the right time, **and** if it is to take advantage of every opportunity, the agency must move toward the ideal workforce of the future. The methods for workforce and succession planning must be the best available and have the full backing of agency leadership.

Regardless of the software selected, the following steps should be incorporated in its application:

**Step 1A, Defining the Future** - The Task Force chose a single future year, 2010, for its initial workforce planning effort. Upon reflection, that year may be too far in the future to provide a sufficiently accurate forecast for workforce planning purposes. Reauthorization usually introduces significant changes in agency programs, and the debate that leads up to reauthorization often helps to clarify the operating environment. For this reason, the environmental scan performed in conjunction with workforce planning should focus on a future year more closely approximating the length of the reauthorization cycle. Future updates of the FHWA Workforce Plan will therefore be guided by a vision of the agency and operating environment five years in the future instead of the ten years used by the Task Force.

The Task Force developed its 2010 vision for the agency using the collective judgement of Task Force members. This proved to be satisfactory. The Task Force as a whole had an excellent perspective on the future operating environment. Nevertheless, the Task Force also sought the endorsement of the Administrator and the Executive Director before adopting the *Future Roles and Workforce of FHWA in 2010* paper as a guide for the overall effort.

*Because top management involvement in setting the vision for workforce planning is absolutely essential, it can best be achieved by relying on the same future defined by management for the strategic plan update. To better predict what the workforce will look like in the future, it will be necessary for the operating units to provide additional levels of detail as input to the strategic plan.*

**Step 1B, Defining the Future Workforce** - Using the five-year vision as a guide, the ideal workforce for that future must next be identified. Before the characteristics of the workforce can be considered, it is necessary to identify the functions the workforce will be expected to perform in the future year, and the relative emphasis to be placed on each. To simplify the task, only four major functions were considered in the initial round: oversight, program assistance, advancing the state-of-the-art, and policy development. The Task Force assumed that the entire workforce operates in one of these four areas 100 percent of the time. While this simplification served the Task Force well, further refinement will likely be necessary as this process is repeated in the years ahead.

The team of managers established to guide workforce planning (see [Action Item 34](#)) should reassess the decisions of the Task Force concerning workforce functions and refine them further as appropriate. To provide more accurate predictions of workforce needs and to provide more accurate data in the future, the team of managers guiding workforce planning should reassess relative resources devoted to each function to ensure alignment with agency goals.

Once functions have been better defined, a "profile" of the desired future workforce should be developed. The profile is a quantitative description of the workforce in terms of important characteristics or attributes such as job classification, discipline, or functional specialty, experience in that specialty, skill levels, stage in one's career, and demographic factors that might be relevant to achieving workforce goals. In its initial effort, the Task Force chose to look at future workforce composition in terms of only four broad classifications - executive, generalist/program

specialist, technical expert, and administrative support. But it also gathered information relative to the current workforce in numerous subcategories of these classifications, as well as age, length of service, time-in-grade, time-in-position, and years-in-specialty. These fields have been added to the Human Resources database and will be available for future analyses.

To be manageable, some aggregation of data is necessary. But too much aggregation will diminish the value of the information and ultimately the recommendations derived from it. The Workforce Planner should reevaluate all of the classifications used by the Task Force and identify further changes to enhance future workforce planning efforts. This should be done in collaboration with the team of managers guiding the process.

Perhaps the most critical parameter in defining the workforce of the future is its size. Changing the overall size of the FHWA workforce requires action by Congress and will require extensive budget justification. Thus, it is critical that whatever size workforce is assumed for workforce planning purposes, it should be fully endorsed by the Administrator and/or Executive Director. If determined appropriate for flexibility, multiple scenarios assuming increases and/or decreases in the workforce should be used.

**Step 2A, Assessing Current Workforce Capabilities** - This step calls for the development of a similar "profile" of the current workforce. Assessing the current workforce requires, above all, good data. The capabilities of all employees must be known at all times so that their knowledge, skills, abilities, and talents can be matched to the needs of the agency in dynamic fashion. The Human Resources Information and Planning Guide, published annually by the Office of Human Resources, provides a wealth of information for workforce planning. The database from which these data are derived includes information on each employee - location, age, gender, ethnicity, length of service, title, grade, OPM job series, etc. Several new fields added as a result of the initial efforts of the Task Force will greatly enhance the database's utility once they are fully populated.

Some skills data are also available in aggregated form from the study done by Litton PRC for the FHWA in 1997. Other workforce information is included in the recently established Expert Locator system and in various databases maintained within the units. These sources, particularly the Expert Locator system, are an excellent initial source of information on employee skills. In the longer term, all data sources must be merged and FHWA must treat all workforce data as a single integrated system. Communities of practice are in an ideal position to evaluate the accuracy of the skills information in the database, and should be used to ensure the integrity of the data.

**ACTION 36.** Expand the FHWA's human resources database, or link it to a companion database, to include information on the knowledge, skills, abilities and talents of all employees.

**Step 3, Gap Analysis** - Gap analysis compares the workforce profiles for the future and current years. But it does not end with simple comparisons. The workforce and the gaps are constantly changing. Attrition changes the individuals in the workforce. Seasoned employees with one skill set leave, and new employees with different skills take their place. Training and professional development change the skill mix of those remaining. And time changes their experience levels and brings them closer to retirement. Two types of gaps exist: the gap between today's workforce profile and the desired future profile; and the gap between the desired future profile and the actual future profile that will exist if current practices remain unchanged. The second is the most critical for workforce planning.

Predicting these profiles accurately requires good analysis tools. The software must be able to do complex modeling of the many changes occurring simultaneously in the workforce. Predictions must be based on past experience and future market conditions. These will be different for different groups of employees such as senior executives, other leaders and managers, supervisors, technical specialists in critical fields, generalists/program managers, administrative and support employees, and those currently in the Professional Development Program and other developmental positions. They will also vary for the diverse groups of employees making up the candidate pools for future vacancies. The software must detect future shortcomings in the size of these pools and in skill readiness, and warn workforce planners in time to fill these gaps. Finally, the software must be capable of predictions not only for the target year, but also for any point between the current and target years, so that progress can be tracked against established milestones.

**Step 4, Strategies to Close the Gaps** -The Task Force developed actions to address gaps identified in the initial round as discussed in [Chapter 3](#). The initiatives were based on the collective wisdom of Task Force members rather than on an objective analysis linked to business results. The workforce plan is an action plan to address workforce needs. The Task Force's efforts represent only a first cut at workforce planning. More rigorous analysis of proposed initiatives, their budgetary impact, consistency with current personnel laws and policies, and probability of success must be performed in future workforce planning efforts.

The team of managers guiding workforce planning must be responsible for assessing budgetary and other impacts of all initiatives to address gaps before they refer them to the Management Council for adoption.

**Step 5, Plan Evaluation and Reiteration** - Strategies proposed and included in the agency's workforce plan must continually be reevaluated. At least annually, skills information should be updated and the models rerun to produce new profiles. These profiles should be reevaluated in light of changing market conditions, customer expectations, new legislation, etc. to ensure that they remain relevant and valid. It is most important to compare the changes in the workforce profile since the last update with the milestones established to keep the agency on track for the target year. Significant deviations should be analyzed and adjustments in the strategies made to assure objectives are met.

#### **Unit Level**

Workforce planning at the unit level is the same conceptually as at the agency level. But it is much simpler in practice because it is constrained by planning previously done at the agency level. Assumptions about the future operating environment have already been established. Priorities have been set and the position classifications and functions performed by the workforce have been established. FTE position ceilings for the units are also fixed. Unit managers cannot unilaterally adjust ceilings because doing so would affect the ceilings of other units. These parameters must be applied consistently from one unit to the next to allow for comparable results and integration of practices agency wide.

Succession planning is also simpler at the unit level. Usually candidates for vacancies at the unit level are drawn from agency-wide pools. Since they exist outside of the unit, professional development initiatives needed to enhance the knowledge, skills and abilities of those in the pool are best addressed in agency level workforce planning, not at the unit level (except possibly for support staff), unless the unit is comprised of persons from a single specialty.

Because the considerations at the unit level are not as complex, workforce planning can be done with less data and simpler analysis tools. Units have first hand knowledge of their employees and can easily manage their own databases. Analysis methods can often be developed with baseline software. Informal methods often suffice but some degree of uniformity must be maintained to allow for integration and comparisons of results throughout the agency.

**ACTION 37: Develop and implement a simple workforce planning model for use at the unit level.**

One product of workforce planning at the unit level will be a document outlining the steps to be taken should any position be vacated. Each vacancy is an opportunity to move the unit closer to the desired workforce of the future. When an anticipated vacancy becomes clear, the strategies outlined in the plan should be enacted so that the vacancy can be filled in the shortest possible time. With proper preparation, it may be possible to have little or no down time resulting from vacancies. In some cases there could even be overlap between outgoing and incoming employees, thus smoothing the transition. Being prepared for any eventuality will ensure that the best decision is made, and made promptly.

## **4.C. Timeframe for Workforce and Succession Planning**

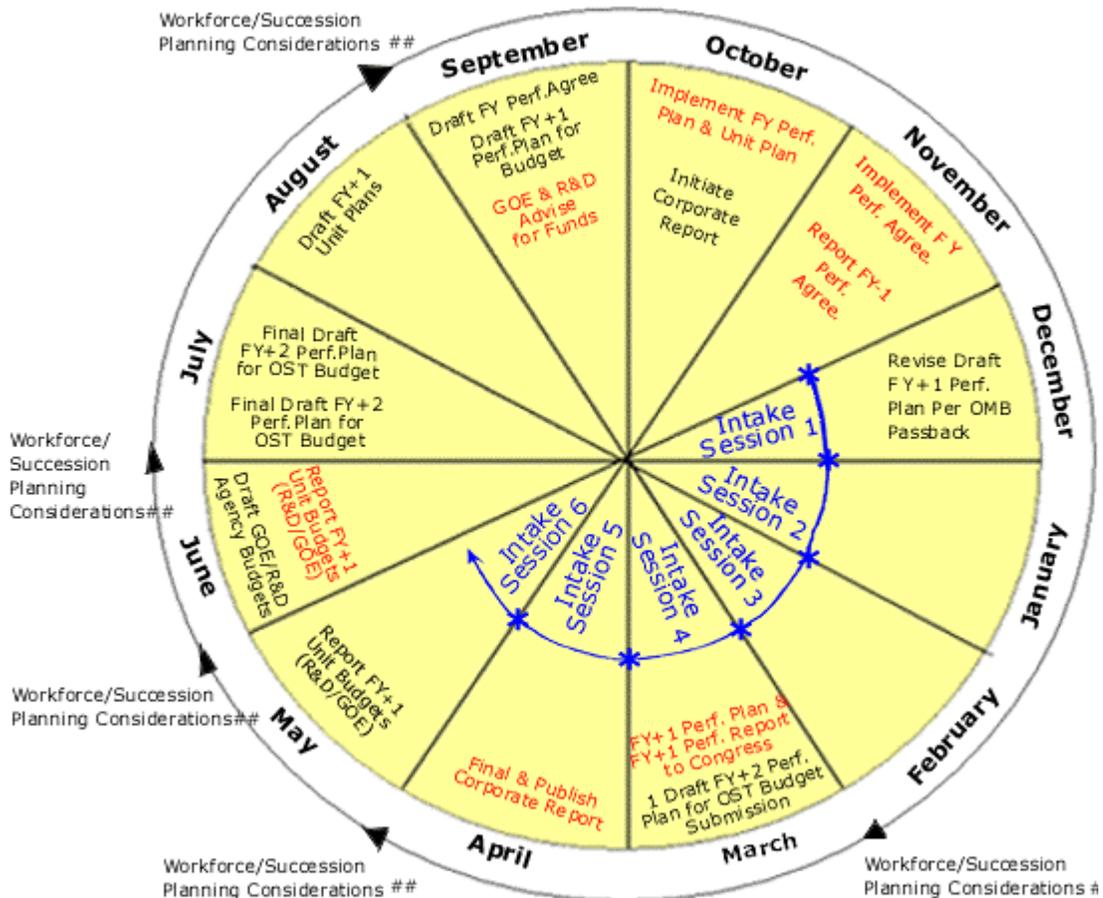
### **Agency Level**

Workforce and succession planning activities will be done at different times and at different frequencies. Some activities, such as updating the human resources database should be done as changes occur so the latest data will always be available. This is the practice for data currently in the database, but new data elements will have to be added and updated on a real time basis. The

system should allow workforce planners to quickly extract the information in a form that can be readily used in workforce planning models with little or no adjustments or conversions required. Procedures will be required to ensure that the data are kept current as personnel actions are processed.

Most other activities should be done on an annual basis and be coordinated with the business planning and budget cycles for maximum effectiveness. A workforce and succession planning cycle should be adopted and flowcharted to show the sequencing of tasks and the relationship to these other cycles. Key dates in the other cycles should govern the workforce and succession planning cycles to allow for timely decisions.

A flow chart for workforce and succession planning showing the links to these other practices is presented on the following page.



### Unit Level

Workforce and succession planning at the unit level will not have a significant impact on the agency budget or business plan. It may impact the unit's budget and business plans, but not to a degree that would require the kind of coordination, required at the agency level. At the unit level, workforce and succession planning systems should be viewed as tools for management of the unit's workforce on a day-to-day basis, rather than an activity that is conducted on a cyclical basis. Ideally, updating should occur as personnel join or leave the unit's workforce, so that the systems are current at all times.

Unit managers should be encouraged to maintain up-to-date workforce and succession plans for their units at all times. At a minimum, unit workforce and succession plans should be updated annually. In the update process, it is important to validate the desired future workforce profile being used at the unit level by checking it for consistency with the profiles adopted for the agency

as a whole. Every unit manager is responsible for workforce and succession planning for his or her respective unit, and to ensure that the unit plan contributes to the accomplishment of the agency plan. Only when all managers do their part can the agency make the most of its workforce.

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