



UNITED STATES OF AMERICA
FEDERAL LABOR RELATIONS AUTHORITY
OFFICE OF THE INSPECTOR GENERAL

WASHINGTON, D.C. 20424-0001

SUBJECT: Internal Review of Strategic Management of Human Capital Succession Planning

METHODOLOGY: This Federal Labor Relations Authority Inspector General Internal Review of Strategic Management of Human Capital Succession Planning was conducted in accordance with the Inspector General Reform Act of 2008, the Inspector General Act of 1978, as amended, and in compliance with the Council of the Inspector General on Integrity and Efficiency and the Federal Labor Relations Authority Inspector General's updated (2009) related policies.

REGULATIONS:

- GSA Succession Planning Guide
- OPM 's Work Force

BACKGROUND:

The strategic management of human capital was included in the Government Accountability Office's (GAO) 2001 list of high risk areas because Federal agencies lacked a strategic approach to human capital management that integrated it with agency missions and program goals. The Office of Personnel Management (OPM), in collaboration with GAO and Office of Management and Budget (OMB) revised Human capital standards to meet the requirements of the President's Management Agenda during the last administration. Every Federal agency was required to plan goals and evaluate results in five systems which included, Strategic Alignment, Leadership and Knowledge Management, Results Oriented Performance Culture, Talent Management and Accountability. Unfortunately, FLRA's previous management micromanaged and did not address these systems properly. During the previous administration, Human Capital Succession Planning and Federal Labor Relations Authority Management positions were significantly reduced. Under the current administration, the Chairman, FLRA has focused on rehiring FLRA managers and providing management employees with training.

OPM defines leadership as a "system that ensures continuity of leadership by identifying and addressing potential gaps in effective leadership and implements/maintains programs that capture knowledge and promote learning. Fortunately, current FLRA management is focused on these issues and is planning to ensure that all agency employees have knowledge, skills and competencies in the occupations needed to meet their mission.

Human Capital Accountability is necessary for all Federal planning, setting of goals, and implementation. Succession Planning falls under the leadership and knowledge management system of Human Capital. The Office of Personnel Management (OPM) has identified leadership and knowledge management as “a system that ensures continuity of leadership by identifying and addressing potential gaps in effective leadership and maintains programs that capture competencies knowledge and promote learning.”

Succession planning involves identifying leadership competencies and establishing objectives and strategies to make sure there is a continuous amount of available leadership within the organization. Succession Planning involves having senior executives periodically review their top executives and those in the next lower level to determine backups for each senior position. This is important because it often takes years to develop a senior manager. All Federal agencies need to increase their efforts in workforce planning, including succession planning, to address the current workforce and ensure that agencies have the knowledge, skills and competencies in the occupations needed to meet their missions. Succession Planning must clearly set out the factors to be taken into account and the process to be followed in retaining or replacing the person. Success requires choices between two or more qualified individuals. To have such a choice, management needs to identify who is ready and what it will take to make other employees ready when you need them.

The Office of Personnel Management (OPM) has developed a Workforce Planning Model which Federal agencies may find useful in developing succession planning.

FACTS:

The Current Chairman, FLRA has focused on the need for senior level management to place a greater emphasis on human capital management and make sure that the FLRA has the proper positions, right grades, and right skills. The FLRA's Human Resource Office and Office of Policy & Performance Management receive top management's support.

Currently, the FLRA has 21 managers. Approximately 12 managers are eligible for retirement. The FLRA will be hiring two more Chief Counsels and a Deputy General Counsel. The amount of managers needed in 2010 have not yet been designated.

The FLRA has approximately 14 GS-15 employees who could qualify for SES vacancies. This group of FLRA employees is sizeable who, without minimal training, would qualify for selection for upcoming FLRA SES vacancies. FLRA leadership development should focus on GS-13s and GS 14s over the next few years to support their possible upgrades.

The FLRA has not yet identified critical skills and competencies which are needed to achieve current and future programmatic goals but will identify them when the FLRA undertakes succession planning.

FLRA is currently focused on updating its strategic plan which will focus on Human Capital requirements, factors for successful succession planning and develop strategies to address mission critical and other key positions in the FLRA.

Human Capital initiatives, including strategic planning and training, have been integrated into the 2009 and 2010 budgets.

FLRA's Human Capital instructions (Management Control System, Performance Management System Plan, SES Performance Management Plan, Senior Executive Service, Employee Discipline & Adverse Actions,) are more than 10 years old and definitely need to be updated to address Strategic Management of Human Capital and Strategic Planning. The FLRA's Strategic Plan is currently being updated and should be issued in 2010.

The FLRA Human Resource Office is now working with management to ensure that necessary management and employee vacancies are promptly posted and positions filled so that the FLRA's mission critical work is not adversely affected.

FLRA Management has identified several training opportunities for FLRA leadership that apply to all levels of supervisors, and managers and stated will also address the issue of leadership training in strategic planning. Opportunities for leadership classes and details for leadership positions are properly advertised by Human Resources. Currently, planned training for new and active supervisors with less than 2 years of supervisory experience has not been planned.

FLRA Human Resources Office ensures that Equal Employment Opportunity rules concerning diversity are addressed and that all vacancy announcements follow merit promotion rules.

After the FLRA develops its succession management plan and it is implemented, it should be communicated to FLRA employees and posted on the FLRA's website. Communication is a vital part of succession planning's implementation process.

The FLRA now provides formal training for all levels of supervisors and managers as well as strategies for addressing human capital challenges. The FLRA now conducts monthly management meetings as well as meetings with employees and interacts with the FLRA Union.

FLRA Succession Planning should assess the current situation to plan a workforce for the future. The plan should address the succession of current workers as they leave the FLRA due to retirement, attrition or other factors.

Currently several mission critical positions that need to be filled such as the Deputy General Counsel which is currently being advertised and new Member's Chief Counsel position which is also posted have been focused on by management. Also, the FLRA is

hiring several attorneys at various grade levels. The FLRA is also hiring additional employees for other mission critical positions which were diminished in the previous administration.

Strategies for human capital challenges such as diversity, leadership, capacity and retention are now being addressed by FLRA management. FLRA management is focused on developing strategies to address gaps in mission related and administrative positions. Management is focused on making sure that the FLRA has the right positions at the right grade with the right skills. Although the FLRA budget (diminished during the last administration) is still small, it will go up a bit in 2010 and then more in 2011 to help the FLRA address its human capital (as well as other) issues.

Although Human Resources have a Director, the Director of Policy and Procedures provided the FLRA Inspector General with most of the information. The Director of Human Resources stated she was too new to the FLRA to answer most of the Inspector General questions.

CONCLUSIONS:

Although the FLRA Strategic Plan and Strategic Management of Human Capital Succession Planning have not yet been implemented, current FLRA senior management is focusing on creating and implementing these essential programs.

Current FLRA senior management has, is still rebuilding the FLRA, is hiring employees, training leadership and focusing on Human Resource requirements. The FLRA has increased the 2009 and 2010 Human Resource budget to hire as well as train necessary FLRA employees. The FLRA needs to develop a workforce plan that describes the methods that need to be taken to identify potential leadership needs and qualified candidates for future FLRA leadership positions. Identifying necessary resources will ensure that human capital initiatives will be carried out and remain a future priority.

There is not just one right way for organizations to manage succession planning for its leaders and other key employees. In order to adopt the best succession plan, FLRA senior management and leaders must get together and discuss succession planning to prepare the right workforce with skills, knowledge and abilities that the FLRA needs to conduct its mission effectively.

Human capital initiatives including succession planning should be integrated into the FLRA's agency wide budget process to ensure that human capital initiatives will be accomplished as planned and remain a future priority for the FLRA.

During the monthly senior management meetings, management should continue to address human capital issues and succession planning for the entire organization for

current and future workforce skills, knowledge and abilities that the FLRA needs to address its mission. Steps need to be created for top link succession planning efforts with the FLRA's strategic plan and budget process.

FINDINGS AND RECOMMENDATIONS:

FINDING 1:

The FLRA has not implemented succession planning to achieve current and future programmatic goals.

RECOMMENDATION 1:

The FLRA should develop and implement succession planning and design an Executive and Senior leadership program to identify critical skills and competencies which are needed to achieve current and future programmatic goals. Succession planning should also be included in FLRA's future budget information.

FINDING 2:

Currently, training for new and active supervisors with less than 2 years of supervisory experience has not been planned.

RECOMMENDATION 2:

FLRA Human Resources must plan and provide necessary training for new supervisors and active supervisors with less than 2 years of supervisory experience to address diversity, leadership, capacity and retention.

FINDING 3:

Most of FLRA's current Human Resource Instructions are over 10 yrs old and need to be updated to focus on Human Capital.

RECOMMENDATION 3:

FLRA's Office of Policy and Procedures needs to update all Human Capital policy and procedures to address the current administration. This includes the Senior Leadership Development Plan.

FINDING 4:

14 of FLRA's 21 current senior management (SES and senior GS positions) are already at retirement ages.

RECOMMENDATION 4:

In order to hire proper and experienced FLRA senior managers immediately so that the FLRA mission is not gaped down again. FLRA Senior Management and top management leadership should hold periodic meetings to discuss succession planning and human capital issues for the FLRA. Identifying skill levels, past job experience and current training could help Agency leaders to decide on future assignments and filling senior level vacancies within the Agency.

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