

The California State Auditor released the following report today:

High Risk

State Departments Need to Improve Their Workforce and Succession Planning Efforts to Mitigate the Risks of Increasing Retirements

BACKGROUND

In a prior report, our office identified three California departments—the Governor's Office of Emergency Services (Cal OES), Department of Transportation (Caltrans), and Department of Social Services (Social Services)—that provide critical public health and safety services as needing to take additional steps in workforce and succession planning. Such planning is intended to ensure an organization has skilled staff to carry out their missions and is particularly critical when large proportions of an organization are eligible to retire at roughly the same time. Nearly 41 percent of state employees are age 50 or older—an increase from 23 percent in 1998 and 38 percent in 2008. The California Department of Human Resources (CalHR) works collaboratively with state departments to develop and implement successful workforce and succession planning strategies.

KEY FINDINGS

During our review of the workforce and succession planning efforts, we noted the following:

- While CalHR recently evaluated the workforce plans at five departments we identified in a 2009 high risk report, its recommendations were incomplete and inconsistent.
 - ✓ CalHR made recommendations regarding certain best practices to one department but not to another.
 - ✓ Its workforce planning tool did not contain four of the best practices it includes on its website and thus, it could be providing departments with additional guidance in strengthening their plans.
- Although CalHR assists departments by conducting training and workforce planning meetings, and provides departments with planning tools and one-on-one guidance, it has not determined whether or how the departments have benefited from such guidance in their planning efforts—since 2013 CalHR has assisted eight departments, yet it is only aware of one department that has used CalHR's tools to develop its workforce plan.
- Nearly two years after it started collecting plans, CalHR has contacted 25 of 88 departments and has collected workforce and succession plans from only eight.
- While Social Services does have a comprehensive workforce plan, as of March 2015, Cal OES and Caltrans did not.
 - ✓ Even though we reported in 2009 that Cal OES had neither a workforce nor a succession plan, it had only completed its two plans during our audit work in April 2015.
 - ✓ Caltrans has created separate plans for different organizational groups but has not developed a comprehensive workforce plan as best practices recommend.
- Despite having initiated many of their workforce and succession planning efforts, neither Social Services nor Caltrans have identified a key resource to collect information about and track the status of its workforce and succession planning programs across the department, and all three departments could do more to assess the effect of such programs.

KEY RECOMMENDATIONS

We made a number of recommendations to the various departments and the Legislature, including the following:

- The Legislature should consider expressly authorizing CalHR to oversee workforce and succession planning efforts across the State and to report annually on the status of state departments' planning efforts.
- CalHR should develop an evaluation process and periodically update its workforce and planning materials, revise its evaluation tool to include all best practices, and survey departments to determine the effectiveness of its tools. Further, it should obtain the workforce and succession plans from all departments and develop an annual plan for the activities it intends to accomplish during the year and the necessary resources.
- The four departments we reviewed should develop a process to measure and evaluate their workforce and succession planning activities annually, and should identify key resources to track the results of such efforts.