Human capital risk management

EY's perspective

Human Capital is one of the most pressing enterprise-wide risks and continues to feature on the Government Accountability Office (GAO) High Risk List. Budget constraints, increasing regulatory retirements, and a growing skills gap in critical mission areas impede agencies' abilities to place the right person in the right role, doing the right work, at the right time.

While agency leaders look to their HR organizations for strategic human capital leadership, HR leaders are consumed with the day-to-day transactional concerns that are critical to the agency’s operations. This leaves them with limited bandwidth to build their staff’s strategic human capital capabilities, potentially exacerbating the agency’s exposure to human capital risk.

EY can help. We work with both agency leaders and their Human Resources organizations to strategically acquire, align, develop and sustain talent to proactively enable mission results. We combine our years of experience in Enterprise Risk Management (ERM) with our deep talent management skills to help agencies mitigate and manage Human Capital risk.

Applying our risk-based approach equips agency leaders and Chief Human Capital Officers (CHCOs) with the tools to mitigate human capital risk; proactively build and sustain talent; and ultimately enable organizational and individual performance.

Human capital risks

Growth: Federal agencies have to compete with private sector
► Shortage of key technical and management skills and an aging workforce
► Skills gaps in occupations that have serious programmatic impact
► Millennial attraction and retention

Agility: Rapidly changing needs: e.g. cyber & digital capabilities
► Right-sizing the workforce
► Balancing federal and contractor resources
► Obtaining and retaining the best possible talent in a competitive environment

Cost effectiveness: Mission delivery while trimming costs
► Balance of quality and quantity of resources for the right cost
► Understanding internal and external supply and demand
► Measuring Return on Investment and productivity of talent

Performance: Decrease in FEVS results
► Leadership sustainability
► Management succession and capability
► Employee engagement and accountability

Who we are
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Why EY
► A dedicated Human Capital practice that brings you private and public sector leading practices
► A powerful talent management approach that links Human Capital to mission and business results
► A focus on the costs of Human Capital risk and the benefits of related strategies to demonstrate tangible value

Discussion topics
► What we heard
► Your Human Capital risks
► Our approach
► Why EY

Results and benefits
► A comprehensive risk-based human capital strategy that addresses the life-cycle of human capital
► Customized workforce modeling tools, grounded in leading practice, that drive resourcing decisions and mitigate the risk of over or under staffing
► Competency assessment and development frameworks aligned to industry standards to facilitate an agile, proficient and skilled workforce
► Innovative human resource operating models (e.g. shared services) that focus on the customer, the mission, cost effectiveness, and operational effectiveness
Samples of our human capital risk management work

Workforce assessment

- Highest attrition rate in mission critical position is 1102's
- Bathtub effect: gap between staff with 5–9 years of experience and staff with 25–29 years

Leadership: setting the strategy

- Talent strategy and workforce planning
- Talent management and diversity
- Strategic labor relations

HR services and distributions

- Portal/knowledge repository
- Contact/inquiry
- Documents and records management
- Employee data
- Talent acquisition
- Compensation administration
- Benefits administration
- Payroll
- Leave management
- Exit management
- HR metrics and analytics
- HR systems administration

Core business delivery

Local support business partners

- On site support and performance coaching
- Employee and labor relations issues

Workload decision support tool

- Strategic Human Capital Plan, 2010-2015
- FY'10 Attrition Data

OPM Fedscope 2013 Workforce Data

New HR operating model

- Export Import Bank of the United States: HR Benchmarks and Retention Studies
- General Services Administration: HR Services Consolidation
- Federal Retirement Thrift Investment Board: Change Management Analysis
- Nuclear Regulatory Commission: Organizational Analysis of Acquisition Function

Ask us about our work at...

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*National Contract Management Association: Strategic Plan, 2011-16*