

STRATEGIC WORKFORCE AND SUCCESSION PLANNING

1. **REASON FOR ISSUE.** To revise the Department of Veterans Affairs (VA) policy for workforce and succession planning to align with requirements under revised title 5 Code of Federal Regulations, part 250, subpart B, Strategic Human Capital Management dated December 12, 2016, and other legal and regulatory requirements.
2. **SUMMARY OF CONTENTS/MAJOR CHANGES.** As a result of revisions made in the Code of Federal Regulations, the title and content in this directive was revised. This directive will replace the electronic version of VA Directive 5002, dated January 15, 2003, that is maintained on the [Office of the Chief Human Capital Officer website](#) and [VA Publications website](#) and incorporates the following changes:
 - (a) Adds "strategic" to the title of the directive to align workforce and succession planning to the broader VA mission and strategic planning goals;
 - (b) Mandates review and concurrence of Administration and Staff Office Strategic Workforce and Succession Plans by key officials in their organization before submission to the Strategic Human Capital Planning Service;
 - (c) Incorporates requirements to align with revised title 5 Code of Federal Regulations, subpart B, Strategic Human Capital Management and other legal and regulatory requirements;
 - (d) Expands the minimum requirements for strategic workforce and succession plans to include comprehensive workforce planning and analysis and the use of comprehensive data analytic methods and gap closure strategies to identify and mitigate current and emerging workforce challenges and risks;
 - (e) Incorporates new requirements for closing workforce and skills gaps in leadership and mission critical occupations (MCOs), and the use of evaluation techniques to monitor, track and assess progress in meeting performance outcomes; and
 - (f) Expands roles and responsibilities across the Department for strategic workforce and succession planning.
3. **RESPONSIBLE OFFICE.** Office of the Chief Human Capital Officer, Strategic Human Capital Planning Service (053).
4. **RELATED HANDBOOK.** None.
5. **RESCISSION.** VA Directive 5002, Workforce and Succession Planning dated January 15, 2003.

Department of Veterans Affairs
Washington, DC 20420

VA DIRECTIVE 5002
Transmittal Sheet
January 24, 2022

CERTIFIED BY:

**BY DIRECTION OF THE SECRETARY
OF VETERANS AFFAIRS:**

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STRATEGIC WORKFORCE AND SUCCESSION PLANNING

1. PURPOSE. This directive establishes a Department-wide policy on strategic workforce and succession planning for leadership positions and mission critical occupations (MCOs). It assigns the roles and responsibilities across the Department in the development, implementation, and evaluation of workforce and succession planning to meet current and future workforce needs and fulfill VA's mission. The strategic workforce and succession planning process is an ongoing activity intended to keep VA's workforce aligned with the goals and needs of the Department.

2. POLICY.

a. Strategic Workforce and Succession Planning are systematic approaches to assist senior leaders to plan for and manage their current and future workforce and leadership needs. Development of Administration and Staff Office Strategic Workforce Plans is timed to align with release of the VA Strategic Plan with full strategic workforce plans developed every four years and refreshed strategic workforce plans the years in between. At a minimum, strategic workforce and succession plans will:

- (1) Be developed at the Administration and Staff Office level. The Administration and Staff Office plans will incorporate all major components (e.g., Veterans Integrated Service Networks (VISNs), District Offices, Area Offices) and include all the requirements outlined in paragraph 2b of this directive;
- (2) Be maintained and updated for leadership positions and MCOs to identify and to develop high-potential employees to meet VA's mission over the long-term. VA MCOs are maintained on the [Workforce Planning Community of Practice \(CoP\)](#);
- (3) Incorporate actionable strategies and measure progress through action planning. The results of these efforts shall capture lessons learned to determine where improvements can be made;
- (4) Include an evaluation process to assess the effectiveness of strategic workforce and succession planning strategies to ensure VA meets its current and future needs and to develop and sustain a pipeline of high-potential talent to fill leadership positions and MCOs;
- (5) Demonstrate progress towards closing workforce and skills gaps affecting the mission of VA; and
- (6) Be approved by the head of the Administration and Staff Office prior to submission to the Office of the Chief Human Capital Officer, Strategic Human Capital Planning Service.

- b. Strategic Workforce and Succession Plans must be aligned with the VA mission and strategic goals and objectives articulated in the [VA Strategic Plan](#). Furthermore, consistent with 5 C.F.R. § 250.204, Strategic Workforce and Succession Plans must include all the following requirements:
- (1) Be based on comprehensive workforce planning and analysis and use comprehensive data analytic methods and gap closure strategies to identify current and emerging workforce challenges and risks, and to inform strategic workforce and succession planning strategies;
 - (2) An analysis of current and future workforce gaps;
 - (3) Contain actionable strategies, key milestones, measurable and observable performance targets;
 - (4) Identify government-wide and VA MCOs and leadership positions;
 - (5) Project current and future workforce needs for mission accomplishment;
 - (6) Identify, monitor and address workforce and skills gaps within MCOs and leadership positions; and
 - (7) Include action plans to monitor key performance measures and evaluate progress in meeting outcomes and process improvements.

3. RESPONSIBILITIES.

- a. **Assistant Secretary for Human Resources and Administration/Office of Security and Preparedness (ASHRA/OSP)** shall serve as the principal advisor to the Secretary on all VA strategic workforce and succession planning matters.
- b. **Under Secretaries, Assistant Secretaries and Other Key Officials** shall:
- (1) Oversee strategic workforce and succession planning activities within the respective organization and ensure compliance with all requirements in this directive;
 - (2) Encourage and communicate clearly the expectations for leadership buy-in, commitment, and support for strategic workforce and succession planning;
 - (3) Integrate strategic workforce and succession planning with other strategic planning and resource functions, and policy and decision-making discussions;
 - (4) Establish and approve Administration and Staff Office strategic workforce and succession plans, goals, objectives, activities and performance expectations in alignment with Department guidance and submit approved

plans to the Strategic Human Capital Planning Service (053) on behalf of the HRA/OSP Chief Human Capital Officer;

- (5) Execute feasible action plans, and develop viable outcome metrics to achieve current and future strategic workforce and succession planning programmatic results;
- (6) Monitor, track and report progress on strategic workforce and succession planning, workforce and skills gaps, and any related human capital initiatives of the Department;
- (7) Establish and deploy an evaluation process to monitor and evaluate policies, programs, the outcomes of strategies, workforce and succession planning activities, capture lessons learned, and promote continuous improvement; and
- (8) Respond to Department-level requests for information and data calls by established due dates.

c. HRA/OSP Chief Human Capital Officer (CHCO) shall:

- (1) Advise and assist the ASHRA/OSP and other agency officials in carrying out the VA's responsibilities for VA Strategic Workforce and Succession Planning;
- (2) Implement the rules and regulations of the Office of the President, the Office of Personnel Management (OPM), and the laws governing workforce and succession planning within the Department;
- (3) Lead, engage and obtain support of senior leaders in Department-wide strategic workforce and succession planning initiatives and ensure the appropriate financial and staff resources are included in the budget and available for use to address workforce and skills gaps and risks;
- (4) Ensure VA-wide compliance with this directive;
- (5) Assess VA strategic workforce and succession planning needs now and into the future based on the VA's mission;
- (6) Align VA's strategic workforce and succession policies, programs and activities with the mission, strategic goals and performance outcomes;
- (7) Promote a high-performing, diverse and inclusive workforce and implement and maintain programs to attract, acquire, develop and retain high quality talent in accordance with the merit system principles and other civil service rules and laws;

- (8) Use the HRStat quarterly review process, in coordination with the VA Performance Improvement Officer, to assess VA's progress towards meeting VA's strategic and performance goals through Department-level strategic workforce and succession planning strategies;
 - (9) Provide final approval authority for all Department-level strategic workforce and succession planning initiatives, actions and reports;
 - (10) Support the goals of this directive by developing and maintaining a current Department-level succession plan to promote efficient and effective strategic human capital management within applicable laws and regulations; and
 - (11) Assist Administrations and Staff Offices with the development of strategic workforce and succession plans and provide technical assistance to business lines within Administrations and Staff Offices to ensure subordinate plans cascade from the Administration or Staff Office Strategic Workforce and Succession Plans covering MCOs and leadership positions.
- d. **Office of the Chief Human Capital Officer, Director, Strategic Human Capital Planning Service** shall:
- (1) Align the Department's strategic workforce and succession planning initiatives, and activities with current and emerging mission and programmatic goals, the President's Management Agenda, the Federal Workforce Priorities Report, Congressional mandates, and other legal and regulatory requirements;
 - (2) Ensure major workforce and succession initiatives affecting the Department are addressed in the VA Human Capital Operating Plan (HCOP) and HRStat which are strategic human capital planning documents developed and maintained by Management, Planning, & Analysis within HRA;
 - (3) Collaborate with other entities on the development of a Department-level succession plan;
 - (4) Implement VA-wide strategic workforce and succession planning activities, policy, guidance, tools and processes;
 - (5) Monitor VA's overall progress in meeting VA strategic workforce and succession planning goals and objectives; and
 - (6) Lead, facilitate and provide advisory services for strategic workforce and succession planning to include:

- (a) Encouraging human resources officials and professionals and workforce planners to participate in Department-level strategic workforce and succession forums;
 - (b) One-on-one consultations and advisory services on tools and processes to increase strategic workforce and succession planning capability;
 - (c) Providing recommendations to strengthen and improve the efficiency and effectiveness of Administration and Staff Office strategic workforce and succession plans in meeting strategic performance outcomes;
 - (d) Initiate Department-level data calls and requests for information;
 - (e) Monitor Department-level strategies and metrics to ensure the effectiveness of strategic workforce and succession planning across the VA;
 - (f) Develop and institutionalize standardized processes for determining and validating VA MCOs and non-Senior Executive Service leadership positions;
 - (g) Deploy comprehensive analytical approaches and methodologies to identify and address root causes for workforce and skills gaps; and
 - (h) Periodically assess the efficiency and effectiveness of the policy to ensure the VA is meeting intended outcomes.
- e. **Executive Director, Corporate Senior Executive Management Office** shall: oversee and manage VA's Senior Executive Talent Management and Succession Management Program and provide policy guidance to the Administrations and Staff Offices for their succession management initiatives.

4. DEFINITIONS.

- a. **Agency Strategic Plan.** The Strategic Plan presents the long-term objectives an agency aspires to accomplish, set at the beginning of each new term of an Administration. It describes general and long-term goals the agency aims to achieve, what actions the agency will take to realize those goals and how the agency will deal with the challenges likely to be barriers to achieving desired results. An agency's Strategic Plan should provide the context for decisions about performance goals, priorities and budget planning and should provide the framework for the detail provided in agency annual performance plans and reports.
- b. **Chief Human Capital Officer (CHCO):** Per the Chief Human Capital Officer Act of 2002, P.L. 107-296, Title XIII, the CHCO is an agency's senior leader whose

primary duty is to: (1) Advise and assist the head of the agency and other agency officials in carrying out the agency's responsibilities for selecting, developing, training, and managing a high quality exemplary and productive workforce in accordance with merit system principles; and (2) Implement the rules and regulations of the President, the Office of Personnel Management (OPM), and the laws governing the civil service within the agency; and (3) carry out such functions as the primary duty of the Chief Human Capital Officer.

- c. Federal Workforce Priorities Report (FWPR): A strategic human capital report, published by OPM by the first Monday in February of any year in which the term of the President commences. OPM may extend the date of publication if needed. The report communicates key Government-wide human capital priorities and suggested strategies. The report also informs agency strategic and human capital planning.
- d. HRStat. Per OPM, HRStat is a strategic human capital performance evaluation process that identifies, measures, and analyzes human capital data to inform the impact of an agency's human capital management on organizational results with the intent to improve human capital outcomes. HRStat, which is a quarterly review process, is a component of an agency's strategic planning, alignment and evaluation systems that are part of the [Human Capital Framework \(HCF\)](#).
- e. Human Capital Operating Plan (HCOP). An agency's human capital implementation document, which describes how an agency will execute the human capital elements stated within Agency Strategic Plan and Annual Performance Plan (APP). Program specific workforce investments and strategies (e.g., hiring, closing skills gaps, etc.) should be incorporated into the APPs as appropriate. The HCOP should clearly execute each of the four systems of the HCF. The HCOP should align with the Government Performance and Results Act (GPRA) Modernization Act of 2010, annual performance plans and timelines.
- f. Leadership Positions. For the purpose of this directive, these are positions that are essential in the leadership or management of VA and include Senior Executive Service (SES) positions described in 5 U.S.C. § 3132; SES-equivalent (SES EQV) positions covered by 38 U.S.C., chapters 73 and 74; Senior-Level (SL) and Scientific or Professional (ST) positions described in 5 U.S.C. § 3104 and 5 C.F.R. § 319, and all managerial and supervisory positions.
- g. Mission Critical Occupations (MCOs). As defined by OPM and adopted by VA, MCOs are occupations that agencies consider core to carrying out their missions. Such occupations usually reflect the primary mission of the organization without which mission critical work cannot be completed. For purposes of this policy, it includes both government-wide and VA MCOs unless specifically noted otherwise.

- (1) Government-wide MCOs. Occupations established by the Federal Government's Chief Human Capital Officer (CHCO) Council as mission critical across the federal workforce through a Federal initiative to develop both government-wide and agency-specific MCOs.
 - (2) VA MCOs. Occupations determined by VA Administrations/Staff Offices to be critical to VA's mission using the VA MCO Determination and Validation process, a process used to add, confirm, and/or remove an occupation as an agency-level MCO. The process is conducted bi-annually on every even numbered fiscal year. The list of VA MCOs is maintained on the [Workforce Planning Community of Practice \(CoP\)](#).
- h. Skills Gaps. The variance between the current and projected workforce size and skills needed to ensure an agency has a cadre of talent available to meet its mission and make progress towards achieving its goals and objectives now and into the future.
 - i. Strategic Human Capital Management. A central pillar in the strategic management of human capital is the alignment of human capital strategies with agency mission, goals, and objectives through analysis, planning, investment, and management of human capital programs. Strategic Human Capital Management is the essential framework of all human capital and resource programs and activities and encompasses all parts of the employee lifecycle, beginning with recruitment and moving all the way through retirement.
 - j. Strategic Workforce Planning. The systematic process for identifying, evaluating, and addressing the gaps between the workforce of today and the human capital needs of tomorrow. Effective strategic workforce planning enables the organization to:
 - (1) Align workforce requirements directly to the agency's strategic and annual business plans;
 - (2) Develop a comprehensive picture of where gaps exist between competencies the workforce currently possesses and future competency requirements;
 - (3) Identify and implement gap reduction strategies;
 - (4) Make decisions about how best to structure the organization and deploy the workforce; and
 - (5) Monitor, identify and overcome internal and external barriers to accomplishing strategic workforce goals.
 - k. Succession Planning. A systematic process to building viable sources of talent through recruitment and development means to proactively prepare for potential turnover of leadership positions to meet future organizational needs while

lessening the impact of knowledge loss during the transition to enable seamless mission continuity.

- l. VA Senior Executive Talent Management and Succession Management Program. An annual talent management and succession planning process overseen by the Corporate Senior Executive Management Office to assess the development needs of all SES members, SES-equivalents and SL and ST employees as appropriate, to inform readiness decisions about hiring, career development, and executive reassignments and rotations in accordance with [Executive Order 13714, Strengthening the Senior Executive Service \(December 15, 2015\)](#).
- m. Workforce gaps. The variance between the current and projected human capital needs to ensure mission success, such as the full-time equivalent (FTE) number or alignment of FTE to meet workload demands and priorities and/or new regulatory, legislative and congressional mandates, personnel skills or competencies, employee satisfaction and engagement, pipeline recruitment or retention, position succession coverage and any other personnel-related deficiencies precluding or posing a risk to mission success.

5. REFERENCES.

- a. [Chief Human Capital Officers \(CHCO\) Act of 2002 \(Public Law 107-296\)](#)
- b. [Government Performance and Results Act \(GPRA\) Modernization Act of 2010 \(Public Law 111-352\)](#)
- c. [Government Performance and Results Act \(GPRA\) of 1993 \(Public Law 103-62\)](#)
- d. [Federal Workforce Improvement Act of 2004, Section 201 \(Public Law 108-411\)](#)
- e. [VA Choice and Quality Improvement Act of 2017 \(Public Law 115-46\)](#)
- f. [VA Maintaining Internal Systems and Strengthening Integrated Outside Networks Act of 2018 or the "VA MISSION Act of 2018" \(Public Law 115-182\)](#)
- g. [5 U.S.C. §§ 1101, Office of Personnel Management; 1103\(c\), Functions of the Director; 1401, Establishment of agency Chief Human Capital Officers and 1402, Authority and functions of agency Chief Human Capital Officers](#)
- h. [31 U.S.C. § 1101, Definitions](#)
- i. [5 C.F.R. Part 250, Subpart B, Strategic Human Capital Management](#)
- j. [Executive Order 13583, Establishing a Coordinated Government-wide Initiative to Promote Diversity and Inclusion in the Federal Workforce \(August 18, 2011\)](#)

- k. [Executive Order 13714, Strengthening the Senior Executive Service \(December 15, 2015\)](#)
- l. [GAO-20-15, Department of Veterans Affairs: Improved Succession Planning Would Help Address Long-Standing Workforce Problems \(October 10, 2019\)](#)
- m. [GAO-04-39, Human Capital: Key Principles for Effective Strategic Workforce Planning \(Dec 11, 2003\)](#)
- n. [OMB Circular A-11, Part 6: The Federal Performance Framework for Improving Program and Service Delivery \(August 2021\)](#)
- o. [OMB Bulletin No. 01-07, Workforce Planning and Restructuring \(May 8, 2001\)](#)