STRATEGIC WORKFORCE AND SUCCESSION PLANNING

1.   **REASON FOR ISSUE:** To issue Department of Veterans Affairs (VA) handbook instructions regarding the execution of VA Directive 5002, Strategic Workforce and Succession Planning (SWSP).

2.   **SUMMARY OF CONTENTS/MAJOR CHANGES:** This handbook contains mandatory revised VA SWSP procedural guidance in support of VA Directive 5002. The electronic version of this handbook will be maintained on the Office of the Chief Human Capital Officer (OCHCO) website and VA Publications website (https://www.va.gov/vapubs/Search_action.cfm).

3.   **RESPONSIBLE OFFICE:** Office of Human Resources and Administration/ Operations, Security, and Preparedness (HRA/OSP) (006), OCHCO (05), Strategic Human Capital Planning Service (SHCPS) (053).

4.   **RELATED HANDBOOK/DIRECTIVE**: VA Directive 5002, Strategic Workforce and Succession Planning, dated January 24, 2022.

5.   **RESCISSIONS:** None.

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STRATEGIC WORKFORCE AND SUCCESSION PLANNING

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1. **PURPOSE.** The purpose of this handbook is to provide Strategic Workforce and Succession Planning (SWSP) policy to comply with the [Department of Veterans Affairs (VA) Directive 5002 Strategic Workforce and Succession Plan](https://vaww.va.gov/vapubs/viewPublication.asp?Pub_ID=1346&FType=2) (https://vaww.va.gov/vapubs/viewPublication.asp?Pub_ID=1346&FType=2), dated January 24, 2022, and [Department of Veterans Affairs: Improved Succession Planning Would Help Address Longstanding Workforce Problems (GAO-20-15)](https://www.gao.gov/assets/gao-20-15-highlights.pdf) (https://www.gao.gov/assets/gao-20-15-highlights.pdf), dated October 2019.

2. **SCOPE.** This guidance is applicable Department-wide and addresses SWSP for mission critical occupations ([MCOs](#) [refer to page 13 for list of MCOs]), non-Senior Executive Service (SES) leadership and key positions (for example, non-management technical positions).

    a. Current and future workforce needs by Administrations and Staff Offices (A/SO) may broaden this scope to include additional priorities, positions, and/or occupations to fulfill the Department's mission.

    b. SWSP is the process of analyzing, forecasting, and planning workforce supply and demand; assessing gaps; and determining target talent management interventions to ensure that an A/SO has the right people — with the right skills in the right places at the right time — to fulfill its mandate and strategic objectives as outlined in the VA Strategic Plan (VASP).

    c. The SWSP process is an ongoing activity intended to keep the workforce aligned with the goals and needs of the Department. All critical SWSP initiatives addressing major skill shortages will be incorporated into the Human Capital Operating Plan (HCOP) and [HRStat](#) for Department visibility and strategic planning. A disciplined review of the A/SO workforce talent by Department leaders and managers along with their invested support will ensure VA's workforce is appropriately sized, aligned, and skilled to accomplish the mission of today and tomorrow.

3. **RESPONSIBILITIES.** SWSPs will be developed at the A/SO level and incorporate plans for all field offices (for example, Veterans Integrated Services Networks [VISNs], District Offices, Area Offices). All plans will comply with the requirements outlined in this guidance according to paragraph 2.a.(1) on page 1 of VA Directive 5002.

    a. **The Assistant Secretary for Human Resources and Administration/Operations, Security, and Preparedness (ASHRA/OSP)** will serve as principal advisor to the Secretary on VA SWSP, achieving, and sustaining a diverse workforce.

b. **The VA Chief Human Capital Officer (CHCO)** will:

    (1) Coordinate VA's workforce development and succession plan and monitor overall progress in meeting workforce planning goals.

    (2) Coordinate and support VA Performance Improvement Officer (PIO) attendance to HRStat quarterly reviews and PIO's annual evaluation of the HRStat approach to identify areas for possible improvement.

    (3) Formulate VA policies pertaining to workforce planning, in coordination with the A/SOs.

    (4) Promote senior leader support of SWSP initiatives according to the Office of Personnel Management (OPM), Federal regulations, and policies governing workforce and succession planning.

    (5) Provide required reporting and updates on Department SWSP progress to external human capital governance partners (for example, OPM, Office of Management and Budget [OMB], Government Accountability Office [GAO], and CHCO Council Executive Steering Committee) as requested.

    (6) Advocate for funding and staff resources from applicable funding streams to address Department-wide workforce needs, skills gaps, and risks.

    (7) Act as final concurrence and approval authority for all SWSP reports and requests for information approved by Under Secretaries, Assistant Secretaries, and other Key Officials.

c. **Under Secretaries, Assistant Secretaries, and Other Key Officials** will:

    (1) Oversee the respective A/SO's SWSP execution, approve allocation for funding resources, and ensure compliance with rules and regulations as outlined in this guidance.

    (2) Encourage leader engagement, commitment, and support for SWSP. Integrate SWSP with other strategic planning, fiscal requirements, policy, and operational decision-making discussions.

    (3) Review and approve SWSP initiatives to achieve current and future SWSP programmatic goals; attend senior level meetings on SWSP progress updates.

    (4) Appoint a responsible office to implement their respective A/SO's SWSP policy according to this guidance.

d. **Office of the Chief Human Capital Officer, Director, SHCPS** will:

(1) Direct A/SO Leaders to designate A/SO lead strategic workforce planners to execute and report on their internal SWSP matters.

(2) Implement SWSP policy, guidance, and processes compliant with workforce and succession planning regulations; align with current and emerging mission and programmatic goals, President's Management Agenda, The Federal Workforce Priorities Report, Congressional mandates, and other legal and regulatory requirements.

(3) Advise/assist officials on tools and processes to increase Department SWSP capabilities and execution.

(4) Evaluate the efficiency and effectiveness of SWSP, capture lessons learned, and provide recommendations for improvement to meet VA strategic goals, objectives, and performance outcomes.

(5) In coordination with the PIO, assess SWSP current and future needs based on mission requirements.

 (a) Facilitate forums, meetings, training, and one-on-one consults with A/SO lead strategic workforce planners, human resources officials, professionals, and workforce planners; review SWSP strategies, metrics, action plans, and data call requirements.

(6) Develop and facilitate a standardized process to determine and validate MCOs and leadership positions (includes key positions); collaborate with subject matter experts (SMEs) to address root causes for workforce and skills gaps.

(7) Review efficacy of A/SOs' strategies implemented to close identified competency skills gaps for Department-wide MCOs and leadership positions at the greatest risk; ensure the A/SO or occupational gap closure strategies address current and emerging workforce challenges and risks to achieving its mission's goals and objectives.

(8) Collaborate with the Office of Resolution Management, Diversity, and Inclusion (ORMDI), and other SMEs to promote a high-performing, diverse/inclusive workforce.

e. **A/SO Directors/Managers** are responsible for designating a lead strategic workforce planner to execute and address all A/SO SWSP matters. The lead strategic workforce planner will:

(1) Implement SWSP policy and processes as outlined in this guidance; advise/assist A/SO officials on SWSP execution.

(2) Attend SWSP training, forums/meetings, and extend information to key stakeholders (for example, SHCPS, human resources officials, professionals, workforce planners) to increase knowledge and capability in using SWSP tools and processes.

(3) Assess SWSP current and future needs based on mission requirements/priorities; recommend ways to strengthen/improve SWSP efficiency and effectiveness.

(4) Conduct bimonthly analysis of the SWSP mitigation efforts on attaining mission objectives and performance goals in collaboration with SMEs.

(5) Ensure SWSP initiatives, actions, and updated reports are submitted in a timely manner for senior leadership approval and approved SWSP documents are submitted according to appropriate suspense timelines.

(6) Identify MCOs and leadership positions; submit approved list according to appropriate suspense timelines.

(7) Identify and assess leadership competency skills gaps with A/SO leaders; develop/sustain a pipeline of high-potential talent to meet current and future needs to fill MCOs and leadership positions.

f. **Manpower Management Services (MMS)** will, according to their respective guidance, use business intelligence and audit tools to assist A/SOs with:

(1) Obtaining and interpreting workload-based staffing requirements reports in support of SWSP optimization (namely, MCOs and leadership position forecasting, demand projections, strategic planning).

(2) Assessing SWSP impact on workforce optimization (for example, identifying and addressing competency skills gaps).

g. **The VA PIO** will, according to their respective guidance, assist SWSP to assess VA's progress toward meeting its strategic and performance goals through Department-level SWSP strategies.

h. **Office of Resolution Management, Diversity, and Inclusion (ORMDI)** will, according to their respective guidance, assist SWSP (SHCPS and lead strategic workforce planners) as needed.

4. **PROCEDURES**. The SWSP terms and procedures contained in this Handbook provide an in-depth overview of SWSP actions required to successfully facilitate a comprehensive workforce plan.

a. **Strategic Workforce Planning (SWP).** A dynamic systemic process used in identifying and addressing the gaps between the workforce of today and the human capital needs of tomorrow. These processes enable leaders to address

their A/SO's human resources management responsibilities with a proactive, forward-thinking, and multi-disciplined strategy designed to align the A/SO's workforce requirements directly to its strategic priorities and mission. SWP consists of seven steps:

(1)   **Step 1.** Determine the Strategic Direction. A strategic assessment is a valuable resource tool when determining an A/SO's strategic direction. Aligning human resources planning with strategic direction ensures A/SO's workforce requirements comply with the overall Department's strategic plan, goals, and objectives. Appendix II on page 20 provides additional information on strategic assessment.

(2)   **Step 2.** Analyze the Workforce. An analysis of the A/SO's workforce provides valuable insight to understand personnel requirements and trends impacting the workforce. The data are used to evaluate strengths and weaknesses of the labor force and how it affects the overall A/SO's growth and health. Workforce analysis includes four phases:

   (a)   **Environmental Scanning.** Environmental scanning report (ESR) results are critical in shaping goals, strategies, and helping A/SOs identify key internal and external environmental indicators. These indicators reveal the most important potential impact on the work performed and guide more in-depth analyses during the supply, demand, and gap analysis phases. Appendix II on page 20 provides information on conducting an ESR.

   (b)   **Supply Analysis.** This phase focuses on the A/SO's current and future supply analysis. Current and future profiles of the workforce are reviewed to determine its ability to meet the demands of the A/SO to accomplish its goals and objectives in the future. Appendix II on page 20 provides additional information on calculating supply analysis.

   (c)   **Demand (or Needs) Analysis.** This process addresses the work the A/SO must perform and the staff needed to perform the work. The analysis report shows how many personnel the A/SO needs in each job function. Appendix II on page 20 provides information on conducting a demand (or needs) analysis.

   (d)   **Gap Analysis.** A comparison of the A/SO's supply and demand analysis results can show a data mismatch: either a projected unmet need or surplus, either of which presents a challenge. Once the gaps are identified, the results can assist in crafting possible solutions and an action plan. Appendix II on page 20 provides information on conducting a gap analysis.

(3)   **Step 3.** Risk Analysis. Once the gap analysis results are identified, any gaps in skills are prioritized into three categories: greatest impact to the A/SO's performance, costs, and feasibility of implementation. This helps define preventive measures to reduce the probability of these factors developing and identifies countermeasures to successfully deal with these constraints when they develop. The goal of risk analysis is to avert possible negative impacts on the workforce.

(4)   **Step 4.** Solution Selection. This form of assessment looks at existing or potential solutions to close a gap or to keep a problem from recurring. These strategies could include such things as recruiting, training/retraining, restructuring, contracting out, succession planning, technological enhancements, and so forth. If there are multiple solutions, developing a priority list with a set of pre-established criteria will highlight the most effective solution.

(5)   **Step 5.** Develop an Action Plan. Actions plans formulate a timeline for when specified tasks should be completed and determine what resources are required to accomplish the SWSP goals and objectives. Lead strategic workforce planners should use the standard strategic workforce action plan template.

(6)   **Step 6.**Implement the Action Plan. By addressing the gaps identified in the action plan; A/SOs will ensure human and fiscal resources are in place; measurable and observable metrics are identified; roles are understood; and the necessary communication, marketing, and coordination is occurring to execute the plan and achieve the strategic objectives.

(7)   **Step 7.** Monitor, Evaluate, and Revise the Action Plan. The action plan is a living document, and A/SOs should continually monitor progress against milestones, evaluate continuous improvement to processes, and revise the plan to make course corrections as needed to address new challenges.

b.   Succession Planning (SP) is a systematic process of identifying MCOs and leadership positions and creating a talent pipeline by preparing employees to ensure an adequate number of well-equipped candidates are available to meet mission needs. This essential process identifies critical knowledge, skills, and training needed in a future candidate to make the best selection for key positions. The six steps below offer a summary view of the interdependence of SWP and SP and present useful starting points to understand and apply the elements of SP.

(1)   **Step 1.** Establish Strategic Alignment and Environment Awareness. The strategic workforce plan's ESR report and action plans will help A/SOs identify the critical internal trends and external environmental indicators that may have the greatest impact on critical competencies and work performed (for example, labor market trends, projected occupational outlooks, and growth/changes of services). With this broader knowledge, succession plans can include mitigation strategies to ensure alignment of leadership preparedness with VA's goals and objectives.

(2)   **Step 2.** Analyze Talent Pipeline to Determine Succession Needs. The SP process will assist in analyzing strengths and weaknesses of the A/SO and MCO-specific workforce. By assessing the overall staffing, development, demographics, performance, and A/SO cultural measures, the succession plan can definitively evaluate the impact each MCO and critical leadership position will have in achieving the strategic goals and objectives. Appendix III on page 27 provides additional information on the standard criteria for determining positions and candidates who are qualified and prepared to fill key roles.

(3)   **Step 3.** Develop Succession Plan. An effective succession plan aligns the A/SO structure and future state to ensure availability of well-qualified staff to fill MCOs and leadership positions at all levels of the Leadership Development Framework (LDF) (https://dvagov.sharepoint.com/sites/VACOLeadershipDevelopmentFramework). As noted, action plans are used to accomplish human capital goals and objectives for mission success. Lead succession planners should use the standard strategic workforce action plan template.

   (a)   **Research.** An effective succession plan is essential to ensure the right training and recruitment strategies are deployed for mission continuity. Identifying and preparing aspiring employees, including necessary outreach to external talent pools, supports smoother leadership changes and service transitions.

   (b)   **Baseline.** A comprehensive succession plan includes analyzing how well current recruitment, selection/onboarding, development, retention policies, employee engagement programs, and resources support future SP needs. Primary consideration identifies and evaluates existing, new, and prospective leaders as well as the quality of first-line leadership development programs meeting competency gaps.

   (c)   **Prioritize**. An analysis of succession plan results can identify priority for acquiring, hiring, developing, and retaining employees, retooling, and strengthening current leaders and disseminating valuable knowledge throughout all levels of leadership (knowledge management).

(4)   **Step 4.** Implement Succession Plan. Assessing the A/SO structures improves the probability there will be dependable leadership in place to provide the A/SO stability. This will allow leaders to visualize and continually build an effective workforce aligned to VA's strategic priorities in serving and caring for Veterans, their families, and caregivers. Appendix IV paragraph 3 on page 34 provides information on implementing a succession plan.

(5)   **Step 5.** Evaluate Succession Plan. Each succession plan must be evaluated to ensure its outcome is effective/efficient in successfully adhering to strategies, policies, programs, and activities. Each succession plan must comply with 5 C.F.R. § 250.203 - Strategic Human Capital Management systems and standards of evaluation. Appendix III paragraph 5(d) on page 29 provides information on the Department's standard evaluation requirements.

(6)   **Step 6.** Perform Continuous Succession Risk Assessment. An annual Department-wide continuous succession risk assessment will help VA's senior leaders and human capital teams identify emerging succession needs. The assessment monitors and tracks changes in workforce characteristics (for example, internal bench strength and critical competency needs) for MCOs and leadership positions.

     NOTE: A composite template of a succession plan can be found in Appendix V on page 37.

c.   Closing Competency Skills Gaps ensures the Department meets its current and future mission requirements by developing and sustaining a pipeline of high-potential talent to fill MCOs and leadership positions. Competency modeling is a validated competency framework that defines the skills, knowledge, and behavior requirements of a position needed to perform a task. This guideline sets a predetermined proficiency level and develops a plan of learning and development activities that will enable A/SO SMEs to minimize identified skills gaps within their A/SOs.

(1)   **Step 1.** Develop a Competency Model. A competency model provides a common language to address desired performance indicators and highlights the need for strategic alignment between employees and the required work of the A/SO. Using the competency model developed by A/SO SMEs, A/SOs can identify, align, and test the skills and capabilities for relevance per job profile at each level.

(2)   **Step 2** Conduct a Competency Gap Analysis. This type of analysis compares with the strategic workforce plan's gap analysis and the SP determination of the talent pipeline. It is used to assess desired current and future competencies to find critical gaps that may impact the employee's performance, productivity, and the overall success of the A/SO. This assessment provides A/SO leaders/managers the knowledge to resolve competency gaps that could impede the A/SO's mission achievement in the future.

(3)   **Step 3.** Closing Competency Skills Gaps. Skills mapping is an ongoing process that adapts and evolves as skills change over time. Strategic human capital policies, such as an A/SO's SWSP and talent management programs, have an integral role in closing competency skills gaps prevalent throughout an occupation (for example, MCO) or an individual (for example, leaders).

5. DEFINITIONS.

a.   **Department Strategic Plan**. The Strategic Plan presents the Department's long-term objectives set at the beginning of each new term of an Administration. It describes core mission and long-term goals the Department aims to achieve, what actions the Department will take to realize those goals, and how the Department will deal with the challenges likely to be barriers to achieving desired results. The Strategic Plan provides the context for decisions about performance goals, priorities and budget planning, and the framework for the detail provided in the annual performance plans and reports.

b.   **Bench Strength**. The readiness and turnover risk regarding staff members in the talent pool to fulfill higher levels of responsibility in mission critical occupations and critical leadership positions the A/SO is monitoring for succession planning purposes. The objective is to determine if there is sufficient internal staff getting the right developmental experiences to be well-prepared for potential succession needs meeting current and future competency requirements.

c.   **Chief Human Capital Officer (CHCO)**. Pursuant to the Chief Human Capital Officer Act of 2002, P.L.107-296, Title XIII, the CHCO is the Department's senior leader whose primary duties are to (1) advise and assist the head of the Department and other Department officials in carrying out the Department's responsibilities for selecting, developing, training, and managing a high quality exemplary and productive workforce according to merit system principles; (2) implement the rules and regulations of the President, the Office of Personnel Management (OPM), and the laws governing the civil service within the Department; and (3) carry out such functions as the primary duty of the Chief Human Capital Officer.

d. **Competency Management**. A practice of defining the skills, knowledge, and expertise an employee needs to succeed at work and contribute positively to the A/SO. This includes technical/functional competency models, competency gap analyses, and gap closure plans.

e. **Department or Department-wide.** Refers to the Department of Veterans Affairs.

f. **Environmental Scan Report (ESR)**. A report prepared at the beginning of each workforce planning cycle. It is a composite review of strategic goals, Department priority goals, laws, regulations, economic trends, and other factors to help identify potential inside and outside influences that may impact the workforce and/or workload in the next 3 to 5 years.

g. **Expert.** An individual who is specially qualified by education and/or experience to perform difficult and challenging tasks in a particular field beyond the usual range of achievement of competent persons in that field. An expert is regarded by other persons in the field as an authority or practitioner of unusual competence and skill in a professional, scientific, technical, or specialized role.

h. **Expert Position**. This position requires the services of a specialist with skills superior to those of others in the same profession, occupation, or activity to perform work on a temporary and/or intermittent basis assigned by a Federal official pursuant to 5 C.F.R. § 304.102.

i. **Federal Workforce Priorities Report**. 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 Governmentwide human capital priorities and suggested strategies. The report also establishes the Department strategic and human capital planning.

j. **HRStat.** An OPM strategic human capital performance evaluation process that identifies, measures, and analyzes human capital data to determine the impact of a department's human capital management on A/SO results with the intent to improve human capital outcomes. HRStat, which is a quarterly review process, is a component of a department's strategic planning, alignment, and evaluation systems that are part of the Human Capital Framework (HCF).

k. **Human Capital Operating Plan (HCOP).** The Department's human capital implementation document, which describes how the Department will execute the human capital elements stated within VA Strategic Plan and Annual Performance Plan (APP). Program-specific workforce investments and strategies (for example, hiring, closing skills gaps, and so forth) should be incorporated into the APPs as appropriate. The HCOP should clearly execute each of the four systems of the HCF — strategic planning and alignment, talent management, performance culture, and evaluation. The HCOP should align with

the Government Performance and Results Act (GPRA) Modernization Act of 2010 annual performance plans and timelines.

l. **Leadership Position.** A GS-15 or below position with high levels of responsibility in a supervisory or management role of a service directly aligned to meet a new and/or challenging performance measure aligned to VA's strategic goals and mission priorities. These positions require higher levels of proficiency in leadership in addition to technical competencies that the A/SO needs to address in their recruitment and development strategies.

m. **Lead Strategic Workforce Planner**. An employee identified to collaborate with A/SO stakeholders to determine and design a process that proactively anticipates current and future hiring needs to meet the A/SO's long-term goals.

n. **Lead Succession Planners.** An employee identified to collaborate with managers/directors to promote and enhance development opportunities for emerging leaders, driving greater engagement and retention of top talent.

o. **Leadership Development Framework (LDF)**. VA's Leadership Development Framework is a shared concept endorsed by VA's Secretary to communicate the research-based leadership competency needs at each developmental stage for all positions across VA. The framework does not address the occupation-specific technical competencies. In succession planning, competency assessments are a necessary method for identifying skills and proficiency levels needed for positions and establishing development plans.

p. **Mission Critical Occupations (MCOs)**. In accordance with OPM's definition, mission critical occupations are occupations the Department consider core to carrying out its missions. Such occupations usually reflect the primary mission of the Department without which mission critical work cannot be completed.

   (1) **Governmentwide MCOs**. Per VA Directive 5002 (https://vaww.va.gov/vapubs/viewPublication.asp?Pub_ID=1346&FType=2) paragraph 4.g.(1) on page 9, these occupations are "established by the Federal Government's CHCO Council as mission critical across the Federal workforce through a Federal initiative to develop both Governmentwide and Department-specific MCOs."

   (2) **VA MCOs**. Per VA Directive 5002 (https://vaww.va.gov/vapubs/viewPublication.asp?Pub_ID=1346&FType=2) paragraph 4.g.(2) on page 9, MCOs are defined as "occupations determined by VA Administrations/Staff Offices to be critical to VA's mission using the VA MCO Determination and Validation process used to add, confirm, and/or remove an occupation as the Department-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)(https://dvagov.sharepoint.com/sites/VACOWFPInitiative/CoP/default .aspx).

q. **Non-Senior Executive Service Leadership Positions**. A position that denotes director, manager, or supervisory positions, and/or mission critical positions that may include varied levels of expertise (for example, non-management technical positions.)

r. **Occupational Civilian Labor Force (OCLF)**. The same definition as Relevant Civilian Labor Force for a specific occupation.

s. **Relevant Civilian Labor Force (RCLF)**. A labor force that consists of all U.S. citizens 16 years of age and over, excluding those in the Armed Forces, who are employed in VA, or unemployed and seeking employment in VA-specific occupations. When the Department has a presence in Puerto Rico, the population of Puerto Rico is included.

t. **Senior Executive Service (SES)**. A position that is classified above GS-15 and include duties involving one or more of the functional criteria (executive or managerial) identified in law.

u. **Senior Level (SL) position**. A position that is not in the SES and is classified above GS-15 based on other factors.

v. **Skills Gaps**. A variance between the current and projected workforce size and skills needed to ensure the Department has a cadre of talent available to meet its mission and make progress toward achieving its goals and objectives now and in the future.

w. **Strategic Workforce Plan.** A document developed every 4 years and updated each year to address new changes that may impact the workforce. Based on the Department's annual environmental scan report, each A/SO strategic lead workforce planner completes a strategic workforce plan detailing an environment scan of their workforce, an in-depth workforce analysis, and mitigation strategies to overcome potential risks to the workforce's success in accomplishing their mission.

x. **Strategic Workforce Planning (SWP).** A dynamic systematic process used to identify and address gaps between the workforce of today and the human capital needs of tomorrow.

y. **Succession Management Plan**. A document used to communicate initiatives, programs, and activities associated with the succession management strategy. The Plan is intended to obtain buy-in and support, articulate expectations, and ensure policies and practices are modified, when necessary, to support succession management efforts. The succession management plan must include the strategies to meet succession targets, an implementation plan, and an evaluation accountability plan.

z. **Succession Management Program**. An annual talent management and succession planning set of related activities to successfully assess and support the developmental needs of all SES members and SL and Scientific or Professional employees.

(1) Talent management and succession planning are essential to ensure effective human capital management. It ensures A/SOs take a planned, deliberate, and holistic approach to the cycles of selection, development, and engagement of their workforce.

aa. **Succession Planning (SP).** A dynamic systemic process to build viable sources of talent through recruitment and development to enable seamless mission continuity. It is proactive preparation for potential turnover of leadership positions to meet future A/SO needs while lessening the impact of knowledge loss during the transition.

bb. **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, SL, and ST employees, as appropriate, to reach readiness decisions about hiring, career development, and the executive reassignments and rotations according to [Executive Order 13714, Strengthening the Senior Executive Service](https://www.govinfo.gov/content/pkg/DCPD-201500890/pdf/DCPD-201500890.pdf) (https://www.govinfo.gov/content/pkg/DCPD-201500890/pdf/DCPD-201500890.pdf), dated December 15, 2015.

cc. **Workforce gaps**. The variance between the current and projected human capital needs to ensure mission success, such as the number of full-time equivalent (FTE) employees 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.

6. **REFERENCES.**

a. [Chief Human Capital Officer (CHCO) Act of 2002 (P.L. 107-296), title XIII, §1302 et seq. (2002)](https://www.congress.gov/107/plaws/publ296/PLAW-107publ296.pdf) (https://www.congress.gov/107/plaws/publ296/PLAW-107publ296.pdf).

b. [Government Performance and Results Act (GPRA) Modernization Act of 2010 (P.L. 111-352)](https://www.congress.gov/111/plaws/publ352/PLAW-111publ352.pdf) (https://www.congress.gov/111/plaws/publ352/PLAW-111publ352.pdf).

c. [Government Performance and Results Act (GPRA) of 1993 (P.L. 103-62)](https://www.congress.gov/103/bills/s20/BILLS-103s20enr.pdf) (https://www.congress.gov/103/bills/s20/BILLS-103s20enr.pdf).

d. [Federal Workforce Flexibility Act of 2004. 5 U.S.C. §. 4121 (2004) (P.L. 108-411), title II § 4121, Oct. 30, 2004, 118 Stat 2311)](https://www.congress.gov/108/plaws/publ411/PLAW-108publ411.pdf).

e. [VA Choice and Quality Employment Act of 2017 (P.L. 115-46)](https://www.congress.gov/115/plaws/publ46/PLAW-115publ46.pdf).

f. [John S. McCain III, Daniel K. Akaka, and Samuel R. Johnson VA Maintaining Internal Systems and Strengthening Integrated Outside Networks Act of 2018" or the "VA MISSION Act of 2018" (P.L. 115-182)](https://www.congress.gov/115/plaws/publ182/PLAW-115publ182.pdf).

g. [Government Organizations and Employees, 5 U.S.C. § 1101](https://www.govinfo.gov/app/details/USCODE-2018-title5/USCODE-2018-title5-partII-chap11-sec1101);

   (1) [Functions of the Director; 5 U.S.C. § 1103(c)](https://www.govinfo.gov/app/details/USCODE-2018-title5/USCODE-2018-title5-partII-chap11-sec1103);

   (2) [Establishment of agency Chief Human Capital Officers, 5 U.S.C. § 1401](https://www.govinfo.gov/app/details/USCODE-2023-title5/USCODE-2023-title5-partII-chap14-sec1401) and

   (3) [Authority and Functions of agency Chief Human Capital Officers, 5 U.S.C. § 1402](https://www.govinfo.gov/app/details/USCODE-2023-title5/USCODE-2023-title5-partII-chap14-sec1402).

h. [Definitions, 31 U.S.C. § 1101](https://www.govinfo.gov/app/details/USCODE-2023-title31/USCODE-2023-title31-subtitleII-chap11-sec1101).

i. [5 C.F.R. § 250 Subpart b, Strategic Human Capital Management](https://ecfr.io/Title-05/sp5.1.250.b).

j. [Executive Order 13583--Establishing a Coordinated Government-wide Initiative to Promote Diversity and Inclusion in the Federal Workforce (August 18, 2011)](https://obamawhitehouse.archives.gov/the-press-office/2011/08/18/executive-order-13583-establishing-coordinated-government-wide-initiativ).

k. [GAO-20-15 - Department of Veterans Affairs: Improved Succession Planning Would Help Address Long-Standing Workforce Problems (October 10, 2019)](https://www.gao.gov/assets/710/702032.pdf).

l. [GAO-04-39 - Key Principles for Effective Strategic Workforce Planning (Dec 11, 2003)](https://www.gao.gov/assets/250/240816.pdf).

m. OMB Circular A-11, Part 6: The Federal Performance Framework for Improving Program and Service Delivery (December 2019) (https://www.whitehouse.gov/wp-content/uploads/2018/06/part6_executive_summary.pdf).

n. OMB Bulletin No. 01-07, Workforce Planning and Restructuring (May 8, 2001) (https://www.whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/bulletins/2001-2008/b01-07.pdf).

APPENDIX I. ACRONYMS

1. ASHRA/OSP — Assistant Secretary for Human Resources and Administration/ Operations, Security, and Preparedness

2. A/SO — Administration and Staff Offices

3. AVO — Appraised Value Offer

4. C.F.R. — Code of Federal Regulations

5. CHCO — Chief Human Capital Officer

6. CLO — Chief Learning Officer

7. CoP — Community of Practice

8. CSEMO — Corporate Senior Executive Management Office

9. ESR — Environmental Scan Report

10. FTE — Full-Time Equivalent

11. GAO — Government Accountability Office

12. HCSC — Human Capital Services Center

13. HR — Human Resources

14. HRA/OSP — Human Resources and Administration/Operations, Security, and Preparedness

15. LDF — Leadership Development Framework

16. MCO — Mission Critical Occupation

17. MMS — Manpower Management Services

18. OCHCO — Office of the Chief Human Capital Officer

19. OCLF — Occupational Civilian Labor Force

20. OEI — Office of Enterprise Integration

21. OMB — Office of Management and Budget

22. OPM — Office of Personnel Management

23. ORMDI — Office of Resolution Management, Diversity, and Inclusion

24. PIO — VA Performance Improvement Officer

25. RCLF — Relevant Civilian Labor Force

26. RPPS — Recruitment and Placement Policy Services

27. SES — Senior Executive Service

28. SHCPS — Strategic Human Capital Planning Service

29. SL — Senior Level

30. SME — Subject Matter Expert

31. ST — Scientific or Professional

32. SP — Succession Planning

33. SWP — Strategic Workforce Planning

34. SWSP — Strategic Workforce and Succession Planning

35. TMS — Talent Management System

36. VA — Department of Veterans Affairs

37. VASP — VA Strategic Plan

38. VISNs — Veterans Integrated Services Networks

APPENDIX II. STRATEGIC WORKFORCE PLAN WORK DOCUMENTS

1.   SWP is a strategic and consistent approach to identify gaps between current job skills and competencies needed to perform work in the future. It is an opportunity for every level of the Department to be involved and inform the Departmental decision-making process. It ensures an orderly way to address external and internal environment changes that could impact the workforce and prepares for workforce expansion, restructuring, or reduction.

   a.   Strategic assessment is the initial first step in strategic planning. It identifies challenges, internally and externally, that may impede achieving Department strategic goals and objectives. Lead strategic workforce planners should complete the following steps when assessing their workforce:

      (1)   Review strategy and operational plans for workforce implications.

      (2)   Establish leadership commitment and resources.

      (3)   Foster team collaborations.

      (4)   Develop communication plans.

      (5)   Develop workforce plans and timelines.

   b.   Workforce analysis provides leaders the data and metrics needed to identify risks before they impact the A/SO's goals and objectives. The following paragraphs provide additional information that lead strategic workforce planners should include when performing an overall strategic assessment of their workforce.

      (1)   Environmental Scanning is a foresight activity to study the broader external and internal nature of national and global workforce trends and change drivers that are likely to have a future impact on the A/SO's mission scope and delivery of services. An environmental scan report (ESR) with top drivers should be completed by the end of quarter 4 each fiscal year (FY).

         (a)   Events that may influence the internal or external environment:

            i   Politics.

            ii   Economics.

            iii   Social Networks.

            iv   Technology.

            v   Emerging Issues.

            vi   Demographics.

<u>vii</u> Diversity.

<u>viii</u>Culture.

<u>ix</u> Artificial Intelligence.

NOTE: SCHPS completes a Departmental strategic ESR at the end of each FY. The report serves as a template to facilitate a consistent methodology and approach to workforce planning across A/SOs. It also acts as a reference that provides a standard, systematic approach of workforce planning to lead strategic workforce planners to assist them in developing their A/SO Strategic Workforce Plans and achieving their workforce planning goals.

The report addresses future workforce changes that may impact the Department and A/SOs over the upcoming 5 years. Lead strategic workforce planners are encouraged to use the SHCPS ESR as a foundation for their strategic workforce planning and are encouraged to conduct an internal workforce environmental scan of their A/SOs for other challenges unique to their workforce. An ESR copy can be located on the [Agency Workforce Planning Process SharePoint site](https://dvagov.sharepoint.com/sites/VACOWFPInitiative/CoP/WebPages/Agency) (https://dvagov.sharepoint.com/sites/VACOWFPInitiative/CoP/Web Pages/Agency Strategic Workforce Planning Process (ASWPP).aspx?RootFolder=%2Fsites%2FVACOWFPInitiative%2FCoP%2FCWFPP%20Documents%20Library%2FFY25%2DFY29%20SWP%20Files%2FFY%202025%2D29%20Environmental%20Scan%20Report&FolderCTID=0x0120006B643E9BE9BA2240874CD9ABADD2CC86&View=%7B727B57C5%2DDEF3%2D4261%2D87D7%2DE65A89A1B22C%7D).

(b) The following five questions should be considered when conducting an internal A/SO workforce environmental scan:

<u>i</u> How would the workforce respond to these events or challenges?

<u>ii</u> What actions can be taken to better prepare the workforce for the future?

<u>iii</u> What possibilities have not been considered?

<u>iv</u> Internal scan — What resources does the A/SO have? What other resources will the A/SO need?

<u>v</u> Strategic plan — How do A/SO goals, objectives, and actions today prepare the workforce for tomorrow?

        (c)   Once the environmental scan is complete, an analysis can begin (for example, Strength, Weakness, Opportunity, Threats [SWOT] analysis). The A/SO's internal strengths and weaknesses are identified as opportunities and threats that exist or may arise in the internal/external environment.

2.   Supply Analysis may reveal the future need for several new functions to successfully complete the mission. A means to prepare the workforce to meet such future needs is to focus on the competencies that your staff must possess to successfully perform the work and determine how many current employees have these competency skills.

    a.   Evaluating current employee and demographic data will help identify future needs as well as a projected workforce strategy. Usually, these data are collected by the HR department and include:

        (1)   Demographics of the A/SO's current workforce (for example, gender, ethnicity, disability, work schedule, and so forth).

        (2)   The number of people performing the job.

        (3)   The grade, series, geographic locations, types of positions occupied, pay plan, Veteran representation, diversity, and so forth.

        (4)   Attrition rates.

        (5)   Retirement (including those employees who are retirement-eligible now and those nearing retirement eligibility).

        (6)   Employee/Supervisor ratio.

        (7)   Results from employee surveys, stay interviews, and exit interviews.

        (8)   Recruitment data from the last 2 to 3 years.

3.   Demand (Needs) Analysis identifies the future workforce needed to carry out the A/SO's mission. This step focuses on the work the A/SO must perform and the staff needed to perform the work. In this step, the analysis identifies the current work functions being performed, new or future functions that will be performed, and how the work will be completed to achieve the goals of the A/SO.

    a.   Evaluate the future needs of the A/SO by answering the following questions:

        (1)   How essential is each job?

        (2)   What job functions, if any, could be consolidated?

        (3)   How many people will be needed in the future to perform each job?

(4) What knowledge, skill, competencies, and abilities are needed to perform anticipated job functions?

(5) What are the A/SO's diversity objectives?

(6) What is the A/SO's strategic direction?

(7) What could be done more effectively or efficiently?

(8) What activities can the A/SO stop doing?

(9) Are there opportunities to reorganize?

4. Gap Analysis compares the results of the Supply and Demand Analyses and involves determining, documenting, and approving the difference between the A/SO's requirements and current capabilities.

   a. A gap analysis will:

   (1) Identify the existing process.

   (2) Identify the existing outcome.

   (3) Identify the desired outcome.

   (4) Identify and document the gap.

   (5) Identify the process to achieve the desired outcome.

   (6) Develop the methods to bridge the gap.

   b. Any mismatch can result in a gap or surplus to other core components of your workforce plan and should be used to craft possible solutions.

   (1) Gap — projected supply is less than forecasted demand. This indicates a future shortage of needed workers or skills. It is important to know what leadership positions and MCO gaps will exist so the necessary training or recruiting can be anticipated. Measure the extent of any gaps for each classification and competency set and identify where candidates will come from to fill these gaps.

(2)   Surplus — projected supply is greater than forecasted. This indicates a future excess in some categories of workers that may require action. The surplus data may represent current job classification or skills that will not be needed in the future or not to the same extent as today. Some preferred options for workers in surplus categories are Voluntary Early Retirement Authority (VERA) or Voluntary Separation Incentive Payment (VSIP). These and other similar workforce reshaping tools are an effective way to restructure the A/SO. Refer to OPM's VERA/VSIP Frequently Asked Questions (https://www.opm.gov/policy-data-oversight/workforce-restructuring/voluntary-early-retirement-authority/top-10-frequently-asked-questions-about-vera-and-vsip.pdf) and the OCHCO SharePoint for Contingency Planning Guidance (https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fdva gov.sharepoint.com%2Fsites%2FOCHCO%2FSitePages%2FContingency. aspx&data=05%7C01%7C%7C801908f4e0474c270e4108daa6331b39%7 Ce95f1b23abaf45ee821db7ab251ab3bf%7C0%7C0%7C63800503567044 5755%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoi V2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&s data=bGnQ1KCOak4rN9tyqC6gcjo7pq0cR19ejRDJbVWlhpw%3D&reserve d=0) for additional information.

5.   Risk Analysis is any workforce-related threat to the successful outcome of the A/SO's mission.

   a. Risk should be prioritized in the following three categories of greatest impact to the A/SO. Note: The top three prioritized risks should have a solution to mitigate any negative/adverse outcome.

      (1) Performance.

      (2) Cost.

      (3) Feasibility of implementation.

   b. Workforce-related threats include, but are not limited to, the following factors:

      (1) Skills and talent availability.

      (2) Ability to address changing workforce expectations (such as social responsibility).

      (3) Disruptions to the location of the workforce (such as hybrid schedules, boundaryless locations, or remote work).

      (4) Workforce-related regulations and compliance.

      (5) Workforce trust, purpose, and mission.

(6)   Ability to plan for and deploy workers against evolving A/SO needs.

(7)   Workforce well-being, compensation, and rewards.

(8)   Workforce data and technology (such as responsible use of workforce data and artificial intelligence, cybersecurity, and data privacy).

6.   **Solutions Selection.** To craft possible solutions for these gaps between current resources and future needs, use the results of other core components of your workforce plan.

    a. Some approaches to address a gap or a surplus include:

        (1)   Hire and retain employees who can develop and use ever-changing technology.

        (2)   Ensure employees with obsolete skills receive needed training or development so they can continue to contribute.

        (3)   Provide a workplace environment and work opportunities that retain employees.

        (4)   Train employees in skills that support the Department's strategic direction to ensure efficient use of their valuable time and skills.

        (5)   Create a diverse and inclusive culture and pursue actionable strategies to maintain and increase diversity and inclusion.

        (6)   Determine the best use of newly open positions by analyzing current and future needs rather than filling the position based on the past.

7.   Implementing an action plan for the top three prioritized risks states exactly how the A/SO will successfully address its risks.

    a. An action plan is a roadmap that outlines a step-by-step planning process with specific tasks and timeframes to reach each goal/objective.

    b. Action plans can be strategic (3 to 5 years); however, for the VA SWSP, action plans should be completed within a calendar year (January-December). Note: Action plans with a completion date longer than the current calendar year can include action items and timelines that can be successfully completed within a calendar year in pursuit of a longer-term goal.

8.   Monitoring/evaluating progress and solution to the identified workforce-related risk allows the A/SO to measure its success in achieving results.

a. Continuous monitoring can show if there are gaps between the planned and achieved results.

b. Evaluation tracks whether the changes to the risks are due to the solutions instituted to achieve the desired results.

APPENDIX III. STANDARD CRITERIA FOR DETERMINING POSITIONS TO PRIORITIZE SUCCESSION PLANNING (SP) EFFORTS

1.   The following provides information on performing a data-driven workforce analysis with a focus on positions that are strategically aligned, require superior competency proficiency levels, are difficult to recruit and retain, are at-risk for near-term separation, and have a narrow leadership pipeline.

2.   These positions will require SP strategies to develop and strengthen the MCO and critical leadership position pipeline as well as lessen the impact of institutional knowledge loss as employees retire and leave.

      NOTE: Merit system principles (https://www.mspb.gov/msp/meritsystemsprinciples.htm) must be applied and upheld when prioritizing SP efforts, including any weights applied to the criteria and the calculations.

3.   When determining positions for the A/SO's prioritized SP efforts, apply the following criteria and recommended source materials in compliance with merit principles.

   a.   Position requires high levels of responsibility in a supervisory, managerial, or technical advisory role for a service or program and is vital to the A/SO in:

      (1)   Addressing a high-risk mission gap identified by oversight authorities such as Office of Management and Budget (OMB), GAO, Office of Inspector General (OIG), and so forth, impacting quality services to Veterans.

      (2)   Managing the resolution of a mission capacity gap (for example, backlog inventory hindering access to services or benefits earned by Veterans).

      (3)   Achieving a top priority of the VASP or an A/SO long-range plan and the associated performance goals.

   b.   Position requires superior proficiency in leadership or technical competencies above what is required by comparable positions. This distinction should be documented in the position description, Leadership Development Framework (https://dvagov.sharepoint.com/sites/VACOLeadershipDevelopmentFramework) or a validated competency model.

      (1)   Position is difficult to recruit and/or retain, evidenced by use of recruitment, relocation, retention incentives (3 Rs) and/or; use of Direct Hire Authority (DHA).

(2)   Position is at medium-risk to high-risk of becoming vacant based on observation, planned retirement, or other assessments and where there are less than three succession candidates in the leadership pipeline. As needed, refer to paragraph 5.c.1 on page 29 when conducting a leadership potential assessment to identify the leadership pipeline and where bench strength is of concern.

(3)   Forecast the probability of the employee leaving the position:

(a)   High-Risk: Less than 12 months.

(b)   Medium-Risk: Greater than 12 months and less than 2 years.

(c)   Low-Risk: Greater than 2 years.

(d)   Unsure: If unsure is selected, conduct a stay interview using the following suggestions to gather more information:

i   Stay In VA Touch Point Guide (https://dvagov.sharepoint.com/sites/vhasupervisors/StayInVA/Forms/AllItems.aspx?id=%2Fsites%2Fvhasupervisors%2FStayInVA%2FStay%20Touchpoint%20Supervisor%20Guide%2Epdf&parent=%2Fsites%2Fvhasupervisors%2FStayInVA).

ii   Stay in VA Touchpoint Employee Fact Sheet (https://dvagov.sharepoint.com/sites/vhasupervisors/StayInVA/Forms/AllItems.aspx?id=%2Fsites%2Fvhasupervisors%2FStayInVA%2FStay%20in%20VA%20Employee%20Fact%20Sheet%2Epdf&parent=%2Fsites%2Fvhasupervisors%2FStayInVA).

(4)   Coordinate with SHCPS data analytical team to receive 5-year historical workforce report listing separation rates for quits, retirements, and transfers for positions with similar position attributes to factor in the broader context for the overall risk level.

4.   It is recommended to conduct an internal audit to ensure consistent application of the MCO and critical leadership positions for prioritizing efforts in accordance with merit principles to ensure fairness and efficiency.

a. Verify consistent competitive application of the criteria across these positions while acknowledging variabilities based on geographic location and facility type.

b. Positions that meet all four standard criteria for determining positions to prioritize SP efforts in paragraph 3 on page 27 may be designated as an A/SO's "MCO and critical leadership positions" required for inclusion in the succession plans and succession risk assessments.

c. Positions that do not meet all four criteria in paragraph 3 on page 27 are not required for monitoring or reporting regarding A/SO succession plans and succession risk assessments.

5. Recommended criteria and sources for conducting a leadership potential assessment.

a. A/SOs are expected to develop a criteria-based assessment method for determining a candidate's current readiness in filling MCOs and leadership positions. Assessment results from talent reviews inform the status of the internal leadership pipeline for a targeted position.

b. A/SOs should apply the same criteria-based assessment method to all candidates when assessing leadership potential and submit with their succession plan and succession risk assessments.

c. The following recommended criteria-based assessment may be used to determine leadership potential.

(1) Criteria for leadership potential assessments:

(a) Performing well in their current role.

(b) Demonstrates a willingness to stretch taking on additional higher levels of responsibility.

(c) Perceived to be successful with increased responsibilities one to two career levels higher than current position.

d. Due to the ever-increasing complexity of leadership roles and digital forces already transforming the workplace, more than a one-dimensional approach to leadership assessment is needed. A myriad listing of methods and tools is recommended when determining whether the criteria for leadership assessment has been met. The below listing provides several key methods and tools to consider in developing leadership potential assessment methods.

(1) VA's Leadership Development Framework (https://dvagov.sharepoint.com/sites/VACOLeadershipDevelopmentFramework).

(2)   Current position description.

(3)   Occupation-specific career path or map.

(4)   Occupation-specific competency assessment results.

(5)   Performance appraisal ratings and statements.

(6)   Customer service satisfaction ratings and comments.

(7)   [360-degree feedback assessment](https://dvagov.sharepoint.com/sites/VHANationalCenterforOrganizationDevelopment/SitePages/360-Degree-Assessment.aspx) (https://dvagov.sharepoint.com/sites/VHANationalCenterforOrganizationDevelopment/SitePages/360-Degree-Assessment.aspx) results (confer with VHA National Center for Organizational Development regarding 360-degree access).

(8)   Superior achievement awards (for example, [ICARE](https://www.va.gov/ICARE/) (https://www.va.gov/ICARE/) and its [Service Award](https://www.va.gov/ICARE/) (https://www.va.gov/ICARE/)).

(9)   Employee's [My Development Plan](https://dvagov.sharepoint.com/sites/VAHCSC/SitePages/My-Development-Plan.aspx) (https://dvagov.sharepoint.com/sites/VAHCSC/SitePages/My-Development-Plan.aspx).

(10)   Completion of leadership development programs and affiliation assignments.

(11)   Employee Career Aspiration Statement or similar expression of career goals and intentions.

(12)   Career Readiness Levels. For consistency in aggregate analysis of variable leadership potential assessment methods, A/SOs must use the standard terms for distinguishing career readiness levels among candidates and in evaluating the succession pipeline for MCO and critical leadership positions:

   (a)   Ready for Increased Challenge. Individual is ready to move into a position of greater complexity, scope, impact, responsibility, or institutional importance.

   (b)   Ready for Career Broadening/Rotational Assignment. Individual is ready now to move laterally into a position of roughly equivalent scope, impact, complexity, responsibility, and authority that offers different challenges, growth, and/or broadening opportunities.

   (c)   Build Tenure/Experience. Individual is on track or recently assigned and requires additional time to effect changes in the current position.

(d)   Contribute in Place. Individual should remain in place and leverage the feedback from recommended sources or if needed, seek more feedback (for example, 360-degree feedback assessment).

(e)   Guidance on providing leadership potential feedback and recommended talent development strategies.

(13)   When providing feedback on leadership potential, it is essential to identify strengths and areas for growth in a constructive manner. This involves highlighting the individual's leadership skills while pinpointing specific areas for improvement such as emotional intelligence or strategic thinker. Feedback should be based on observable behaviors and supported by concrete examples.

(14)   To support leadership development, recommend tailored strategies such as training programs, mentorship, or shadowing. Encourage regular feedback, goal setting, and self-reflection to facilitate continuous improvement. Follow up with periodic check-ins to review progress and provide ongoing support, fostering a culture of open communication and growth.

e. Evaluation guidance for succession plans, strategies, and programs includes evaluation methodologies and recommended performance measures that apply to SP products focused on both process evaluation and impact evaluation.

(1)   During implementation of succession plans, A/SO's should evaluate:

(a)   The effectiveness and efficiency of strategies for closing knowledge, skill, and competency gaps;

(b)   Strengthening of the leadership pipeline for MCOs and leadership positions by increasing the number of ready candidates for increased challenge;

(c)   Adoption rates of required SP practices.

(2)   In order to have a pulse on the leadership pipeline for MCOs and leadership positions, A/SOs need to apply the standard criteria to determine the positions for prioritizing SP efforts (refer to paragraph 3 on page 27) and develop a consistent approach for conducting leadership potential assessments as foundational processes.

(3)   In accordance with 5 C.F.R. § 412.201, the focus of a comprehensive succession management program is to develop managers, strengthen the A/SO's capability, and to ensure an adequate number of well-prepared and qualified candidates for leadership positions.

NOTE: When training strategies are included in succession plans, A/SOs are to annually evaluate them and determine how well such plans and programs contribute to mission accomplishment and meet the A/SO's performance goals, as required by 5 C.F.R. § 410.202.

(4)   Recommended Performance Measures. This paragraph provides recommended performance measures for consideration in setting initiative baselines and assessing progress of succession plan strategies.

  (a)   Percentage of MCOs and leadership positions filled with internal versus external candidates.

  (b)   Percentage of MCOs and leadership positions with multiple identified successors.

  (c)   Percentage of MCOs and leadership positions and talent pool candidates with career profiles in an SP tool to enable Department-wide or A/SO-wide talent management practices.

    i   Percentage of MCOs and leadership positions and talent pool candidates with professional development plans.

    ii   Actual versus expected participation rate in MCOs and leadership positions for minority groups using the Relevant Civilian Labor Force (RCLF) or Occupational Civilian Labor Force (OCLF), whichever is more appropriate.

    iii   Improved fill rates of MCOs and leadership positions and satisfaction with selections.

    iv   Improved employee perceptions of managers being vested in employee development and growth, refer to VA's All Employee Survey (https://www.data.va.gov/dataset/All-Employee-Census-Survey-AES-/gbb5-khf8/about_data) as a potential source for this data.

    v   Conversion rates of talent pool candidates in leadership development programs to MCOs and leadership positions and return on investment cost analysis.

(5)   For additional guidance and best practices for SP programs, refer to OPM's Guidance on Establishing an Annual Leadership Talent Management and Succession Planning Process (https://www.opm.gov/wiki/uploads/docs/Wiki/OPM/training/TMSP wiki page/508-FINAL 2015 Strengthening the SES Talent Management Succession Planning Process 2017 DMS Package TMSP process (2).pdf) which includes a logic model.

APPENDIX IV. SUCCESSION PLANNING (SP) WORK DOCUMENTS

1.   Succession planning ensures leadership will be in place to lead the A/SOs no matter what occurs. A/SOs can create a sound budget proposal for new or changing human capital requirements including training and development, staff/functions and human capital systems/capabilities.

    a.   The comprehensive succession plan serves as an authoritative source for management officials to determine use of Recruitment, Retention and Relocation (3 Rs) Incentives and Relocation Allowances to include Appraised Value Offer (AVO) allowances. [VA Handbook 5007, Pay Administration](https://vaww.va.gov/vapubs/search_action.cfm?dType=2) (https://vaww.va.gov/vapubs/search_action.cfm?dType=2) provides additional information on pay flexibilities for 3 Rs and AVO allowances.

    b.   By assessing short-term (1 to 3 years) staffing and training requirements, SP can cultivate the necessary skillset to meet the A/SO's goals and objectives. The plan also provides the business case on how to invest in its executives, first-line supervisors, and managers to ensure they have the competencies to direct the day-to-day work of the A/SO.

2.   SP work documents and initiatives outlined on the following pages are mandatory to ensure a unified and streamlined Department-wide execution succession plan. All exceptions must be approved by SHCPS.

    a.   SP Action Plan Template describes how an A/SO will meet its succession targets while complying with Federal laws, rules, regulations, and guidelines.

        (1)   It puts components of the SP strategy in operation to achieve stated targets that are essential to ensure the right people with the right skills are in the right positions.

        (2)   SP targets and talent pool analysis.

        (3)   Strategies for recruiting, developing, and retaining leadership capacity.

        (4)   Evaluation/Accountability plan describes how the A/SO will meet its succession targets while complying with Federal laws, rules, regulations, and guidelines.

            (a)   SP action plans are usually best presented in table format. For Department-wide consistency, lead succession planners should use the standard strategic workforce action plan template.

            (b)   For support developing your A/SO's SP and related action plan, SHCPS encourages A/SOs' lead succession planners to attend the training, forum, meetings, and/or workshops or a request one-on-one consult (or consults) with SHCPS. The action plan should include a problem statement and follow the SMART framework noted below.

(c)   SMART — The acronym SMART means your strategies are:

<u>i</u>   Specific — targets a specific root cause to prevent recurrence. It clearly states what is to be achieved, by whom, where, and when it is to be achieved. Sometimes it may even state why that goal is important. In other words, a strategy that is very clear and easily understood.

<u>ii</u>   Measurable — quantifiable or at least suggests an indicator of progress. Measurability applies to both the end-result and the milestones along the way to attain a goal. It answers the question of quantity — how much, how often, how many? The milestones are signs along the way that will help determine if actions are on the right track to achieve the goal.

<u>iii</u>   Attainable — are achievable, feasibly obtained, action-oriented, and aligned with human capital goals. The action owner can effectively manage what they have set out to do and set standards by understanding their own abilities, strengths, and weaknesses.

<u>iv</u>   Realistic or Relevant — can be achieved, given available resources, time, and the commitment required to complete. Strategies should also be relevant to what is expected to be achieved in the short-term and the long-term. Understanding the A/SO's vision, mission, and purpose is critical in this respect.

<u>v</u>   Time-based — specifies when the result can be achieved. Aim to ensure a timeframe to achieve the goals and prevent procrastination because the action owner is aware of a deadline.

3.   SP Implementation ensures there will be leadership in place to lead the A/SO, no matter what occurs.

a.   It assesses the A/SO's structures (for example, adjustments to supervisor and employee ratios, updating career ladders to improve entry toward key positions, and grouping functions to improve process integration and service delivery). The below information provides starting points to implement a seamless well-structured succession plan:

(1)   Identify key players, roles/responsibilities, tasks, methods, and timelines to implement succession management.

(2)   Explore various options to support your employees' career goals, including acting assignments, mentoring arrangements, job shadowing, and training.

    b.   Develop employee individual development plans (IDPs) that are linked to appropriate knowledge, skills, and abilities required for each person's current and future goals.

    c.   Explore options that will allow you to bring in a new employee while the incumbent remains in the A/SO to facilitate knowledge transfer.

    d.   Explore whether key employees who plan to retire within the next few years are interested in participating in a mentoring arrangement or succession plan.

    e.   Lay out a change management plan and communication plan.

    f.   Describe a plan to maintain the visibility of senior leaders' commitment and involvement.

4.   SP Evaluation measures effectiveness and efficiency to ensure the A/SO's SP goals and objectives are accomplished. See Appendix III on page 27 for additional guidance and information on determining positions and candidates who are qualified and prepared to fill key positions in the A/SO.

    a.   According to 5 C.F.R. § 250.203, Strategic Human Capital Management Systems, a talent management process promotes a high-performing workforce using the following standards. These are mandatory evaluation standards for all succession plans:

        (1)   Plan for and manage current and future workforce needs.

        (2)   Design, develop, and implement proven strategies and techniques and practices to attract, hire, develop, and retain talent.

        (3)   Closure of any knowledge, skills, and competency gaps.

    b.   Examples of metrics for effective SP:

        (1)   Potential — Does this employee demonstrate the ability and qualities to take on additional responsibilities and roles?

        (2)   Readiness — Does this employee have the experience and skills needed to be successful in their next role?

        (3)   Risk of loss — What is the likelihood that this employee would leave the A/SO in the next six months based on their engagement levels, marketable skills, or service time?

        (4)   Impact of loss — What impact will the loss have on your A/SO?

        (5)   Bench strength — What is your ability to fill critical positions internally?

     (6)   Pipeline use — What percentage of employees from your bench strength (internal hire to the Department or A/SO) is used to fill vacant positions (either a critical role or a management position)?

5.   SP Administrative Process provides the details for developing the A/SO's succession plans, including the expectations for the planning cycle, planning timespan, oversight expectations, risk assessment timeline, format, and content.

    a.   Approval Authority are the authorized signers (for example, Assistant Secretary) who must sign all succession plans prior to submission.

    b.   Communication/correspondence responses to external oversight agencies inquiries (for example, OPM, OMB, and GAO) must be reviewed by SHCPS and the CHCO prior to release.

    c.   Submission Cycle should be within 4 months after publication of the VASP in February via VA's official correspondence system (for example, VIEWS). An earlier VASP draft may be available in September. For more information contact the VA PIO.

    d.   Negative Replies require written evidence that there are no MCOs and leadership positions at-risk in the A/SO.

    e.   Risk Assessment Report must be submitted each April through VA's official correspondence system (for example, VIEWS). An assessment tool template will be provided to A/SOs as an official tasker using VA's correspondence system.

    f.   Timespan covers 3 years (the current year plus 2 additional fiscal years) and should be updated when there is a substantial shift in future mission requirements (for example, significant environmental changes and/or revision of laws/regulations prompting the A/SO restructuring, reskilling, or reshaping MCOs and leadership positions).

6.   Record Management of succession plans, assessment reports and completed templates should be stored as official records for 3 years to be used for reference and available for auditing purposes according to regulations.

APPENDIX V. SUCCESSION PLAN (SP) TEMPLATE

1. Format must be in the form of a modifiable Word document to support the development of the aggregate Department succession plan. The plan will include all identified MCOs and leadership positions Department-wide. A/SOs with priorities in succession plans must also identify these as noted above.

   a. Content consists of five areas: Current State Analysis of MCOs and Leadership Positions, Current State Analysis of Talent Pool Candidates, Future State Analysis of Succession Needs, Gap and Barrier Analyses, and Mitigation Strategies.

      (1) Current State Analysis of MCOs and Leadership Positions.

         (a) Present an aggregate data view of the workforce characteristics of the employees presently occupying all MCOs and leadership positions. The following data dimensions should be included in the analysis and presentation:

            i Occupational series, title, specialty, with job titles.

            ii Pay plans and grade distribution by hiring authority.

            iii Geographical distributions by Veterans Integrated Services Networks (VISNs), District, or duty stations (also referred to as work sites).

            iv Demographic information to assess and maintain compliance with diversity, equity, and inclusion goals.

            v Years of Federal service.

            vi Retirement eligibility status.

            vii Retirement eligibility status.

            viii Use of recruitment and retention, relocation incentives by amount.

            ix An explanation of how these positions meet the criteria for MCOs and leadership positions including any weights or calculations.

      (2) Current State Analysis of Talent Pool Candidates presents an aggregate data view for the A/SO's identified talent pool including the current workforce characteristics and leadership potential assessment results by career readiness levels.

      (3) Future State Analysis of Succession Needs.

(a) Project future succession requirements with consideration of workload demand changes in programs/services provided to VA customers identified in the A/SO's strategic workforce plan and assess labor market trends impacting the competition for talent and retirement probabilities. If needed, refer to the Demand Analysis paragraph in this handbook, paragraph 4a(2)(c) on page 7.

(b) Identify changes in competency proficiency levels, new competencies, and staffing levels for MCOs and leadership positions. If needed, refer to competency gap analysis and closure procedures in this handbook, paragraph 4c on page 10.

(c) Provide data insights on external talent source shortages in specific geographic areas serving as justification for determining at-risk MCOs and leadership positions.

(d) Translate strategic imperatives for the A/SO into human capital implications in terms of changes in FTEs and associated budget requests to support the proposed A/SO structure and competencies/proficiency levels.

(4) Gap and Barrier Analyses.

(a) Succinctly describe evidence-based challenges the A/SO faces to effectively address and implement strategies in support of meeting forecasted and emerging succession needs.

(b) Turnover categories (quit rates, transfers, and retirements) by geographic location.

(c) Disparities in diversity demographics in comparison to the RCLF/OCLF and VA workforce.

NOTE: RCLF and OCLF data reports are located in Human Resources Management file on the VHA Support Service Center (VSSC) (https://vssc.med.va.gov/VSSCMainApp/) website.

(d) Competency gaps or emerging skills with consideration of Leadership Development Framework (https://dvagov.sharepoint.com/sites/VACOLeadershipDevelopmentFramework) competencies and occupation-relevant competency models approved by national accreditation sources or sources officially recognized by VA.

(e) Funding shortfalls for MCOs and leadership positions development programs or systems/tools/programs/incentives to support effective SP practices.

       (f)   Staffing inflexibilities that do not allow participation in job rotations and detail assignments or do not allow coaching and knowledge transfer opportunities.

       (g)   Other issues not described above and worth elevating.

  (5)   Mitigation Strategies.

       (a)   Present a responsive and focused set of strategies the A/SO will implement, monitor, and evaluate to meet SP needs of the anticipated future operating scenario. Ensure the strategies are aligned to support the priorities of the VASP while eliminating competency gaps and confronting entrance barriers to management levels.

       (b)   Strategies must include a narrative to explain how they specifically address gaps and barriers and/or what new partnerships, authorities, communications and change management plans are needed to substantially improve the gaps/barriers and drive the necessary changes.

       (c)   When necessary, an A/SO's succession plan should include recruitment, development, and retention strategies that are targeted for at-risk MCOs and leadership positions.

       (d)   Strategies must describe the objectives, actions, responsible offices, and targeted performance measures for the short-term (for example, 1-3 years out) and long-term (for example, 5-7 years out).