



Office of Inspector General

Board of Governors of the Federal Reserve System
Bureau of Consumer Financial Protection

Executive Summary, 2019-MO-B-004, March 25, 2019

The Board Can Take Additional Steps to Advance Workforce Planning

Finding

The Board of Governors of the Federal Reserve System's (Board) Human Resources (HR) function developed a preliminary enterprisewide workforce planning process in 2017. In 2018, HR began piloting this process. We found that division leaders across the Board have varying perspectives on the need for an enterprisewide workforce planning process. In its *Strategic Plan 2016–19*, the Board identifies its workforce as a strategic priority. Further, the Board has identified developing its workforce planning capability as one way in which it can meet this priority.

Division leaders' buy-in on participation in an enterprisewide workforce planning process may be impeded by several factors. These factors include limited initial communication from HR to divisions on HR's preliminary enterprisewide workforce planning process, the need for defined roles and responsibilities, a lack of clear support from top Board leaders, and existing division-specific approaches to workforce planning. As a result, the Board may struggle to advance its workforce planning strategy in all divisions.

The Board can consider further applying common workforce planning principles, which we refer to as the *workforce planning framework*, as it advances its enterprisewide workforce planning process. Although some principles in the framework are already incorporated into the Board's workforce planning efforts, we found that a few principles, such as those dealing with coordinating on an enterprisewide level and dedicating appropriate resources, can be further incorporated.

Recommendations

Our report contains recommendations designed to assist the Board in establishing a policy for enterprisewide workforce planning and achieving increased buy-in from division leaders and other stakeholders for such a policy. In its response to our draft report, the Board concurs with our recommendations and describes actions that will be taken to address our recommendations. These recommendations build on a recommendation in our 2017 report *The Board's Organizational Governance System Can Be Strengthened*. In that report, we found that the Board of Governors can increase the effectiveness of the Chief Operating Officer and the heads of the administrative functions in implementing enterprisewide administrative initiatives. Implementing the recommendation associated with this finding could further support the establishment of an enterprisewide workforce planning policy.

Purpose

We conducted this evaluation to assess the status of enterprisewide workforce planning and related developments at the Board.

Background

Workforce planning is the systematic process for identifying and addressing the gaps between the workforce of today and the human capital needs of tomorrow. Workforce planning can assure an organization that it has the right people in the right places at the right number, time, and cost to execute its mission.

As of December 31, 2017, 556 of the Board's 2,734 employees will be eligible for retirement by the end of 2022. Of the 556 employees eligible for retirement, 55 percent are in mission-supporting positions—economists, financial analysts, computer professionals, and attorneys. In addition, 44 percent of the Board's executive-level employees will be eligible for retirement during this time period.

The Board's responsibilities have evolved over time and are likely to continue to change in the future. Evolving workforce needs and the highly competitive hiring environment for individuals with the specialized skills that the Board needs are continuing challenges for the Board.