

# Strategic Human Capital Planning

## CASE STUDY

# SSA: PREPARING FOR A RETIREMENT BOOM



*As the "baby boom" of the 1940s and 1950s becomes the "retirement boom" of the 21st century, the Social Security Administration (SSA) has predicted a retirement boom among its own workforce beginning in 1998. Faced with the prospect of losing more than half of the agency's employees by the end of 2010, including a large number of its leaders, SSA developed a strategic human capital plan based on hard data, developed among leaders from across the agency, and linked to specific deadlines and deliverables. As a result, SSA is now recruiting, developing and retaining the high-performing employees they need to ensure that our nation's elderly, disabled and survivors of deceased workers receive needed financial support.*

### **LIFTING THE NATION'S NEEDY OUT OF POVERTY**

Established via the Social Security Act of 1935, SSA has evolved to "... promote the economic security of the nation's people through compassionate and vigilant leadership in shaping and managing America's social security programs."<sup>1</sup> SSA pays "benefits to retirees and their dependents, to survivors of deceased workers, and to disabled workers and their families."<sup>2</sup> Over the last 30 years, poverty among the nation's elderly has decreased by 62 percent, as has the incidence of poverty among surviving dependents and disabled workers.<sup>3</sup> SSA employs almost 65,000 individuals throughout the country and at its headquarters in Baltimore, Maryland.

<sup>1</sup> Social Security Administration, Performance Plan Fiscal Year 2002 (2001).

<sup>2</sup> Ibid.

<sup>3</sup> Social Security Administration, SSA's Performance and Accountability Report for FY 2000 (2000).

## CASE STUDY

## SSA: PREPARING FOR A RETIREMENT BOOM

Page 2 of 6

**RETIREMENT BOOM - NATIONWIDE AND AT SSA**

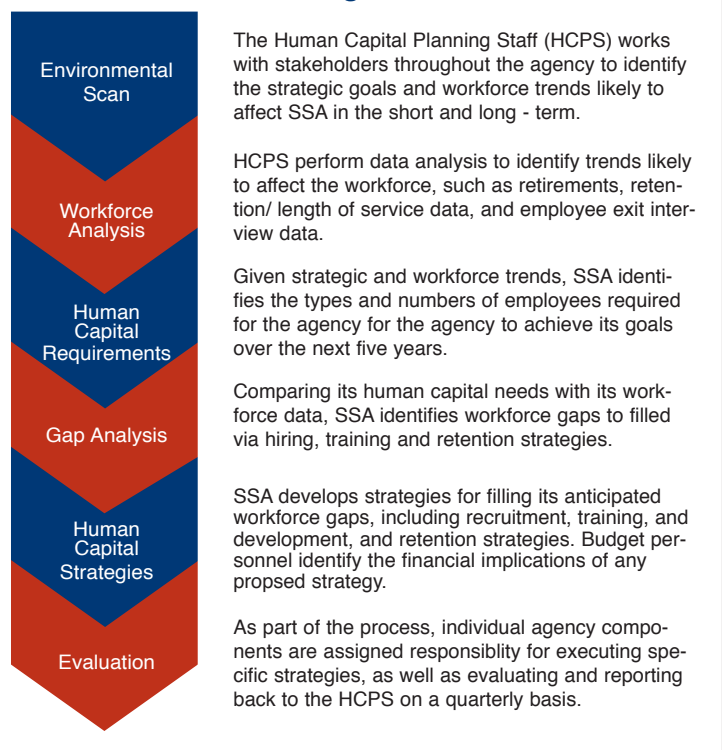
The "baby boom" that flooded our nation's labor market with a relatively large number of highly skilled employees during the latter part of the 20th century will generate a "retirement boom" between 2005 and 2010. With retired employees living longer than ever - SSA's workload is growing. However, SSA must grapple with its growing workload while the agency also faces a significant loss of employees.

Between 1985 and 2000, SSA's workforce decreased by 22 percent - some 19,000 positions. In addition, SSA's workforce is largely composed of "baby boom" employees approaching retirement. Based on an internal retirement wave study the agency performed in the late 1990s, SSA anticipated losing anywhere from 35,000 to 38,000 employees, including 40 percent of senior executives, due to retirements and other separations during this period.

Between 1985 and 2000, SSA's workforce decreased by 22 percent - some 19,000 positions.

**TACKLING THE CHALLENGE HEAD ON**

Faced with daunting workforce challenges in 1995, SSA developed a more strategic approach to managing its human capital called Future Workforce Transition Planning (FWTP). SSA's FWTP process provides agency leaders with a framework for identifying the key trends likely to affect its workforce, as well as the human capi-

**SSA's Future Workforce Transition Planning Process**

## CASE STUDY

## SSA: PREPARING FOR A RETIREMENT BOOM

Page 3 of 6

tal strategies the agency must pursue to address its workforce challenges. Seamlessly integrated with strategic planning and budgeting activities, SSA's FWTP process emphasizes human capital activities that produce measurable results.

**RESULTS**

Using this strategic workforce planning process, SSA has turned crisis into opportunity. By aggressively recruiting new talent and reshaping its workforce - while improving the skills of all employees through training and development - SSA productivity and service to its customers has continually improved every year, even as the overall size of its workforce has declined. In 2002, for example, SSA's productivity increased approximately five percent over the previous year.

Even as large numbers of employees leave due to retirement, SSA is using those losses as an opportunity to hire and redeploy employees into front-line service delivery positions. Guided by the results of its workforce planning, SSA is now hiring approximately 3,000 employees a year to replace its retirees and has reassigned approximately 5,000 employees from administrative positions to customer service positions. SSA has reduced its supervisory ratio from 1:8 in 1990 to its current level of 1:14 - one of the lowest ratios among federal agencies.

*As a result of planning, we have a pretty specific strategy for how we are going to be recruiting and retaining the talent to replace the people we are losing.*

Reginald Wells, Deputy Commissioner for Human Resources and Chief Human Capital Officer  
from an interview with the Federal Times published on August 4, 2003

To train and develop its new employees and future generation of leaders, SSA has developed a number of national and regional development programs. For example, SSA offers a mix of classroom training, on-the-job training and developmental assignments for leaders beginning as early as the GS-9 level. The leadership development programs ensure that SSA has the candidates needed to fill managerial and executive vacancies promptly, while also providing high-performing employees with incentives to stay with the agency.

## CASE STUDY

## SSA: PREPARING FOR A RETIREMENT BOOM

Page 4 of 6

SSA's workforce management strategies have produced a notably high level of commitment among SSA employees. In OPM's 2002 Government-wide Human Capital Survey, 94.4 percent of SSA respondents said that they believe their work is important to the mission of the agency. SSA employees are proud of their contributions to the agency and the nation.

### ***LEADERSHIP, DATA AND DEADLINES ENSURE SSA'S SUCCESS***

While process steps ensure that SSA completes its future workforce transition plan every year, the agency's human capital success is based on results, not just "checking off boxes." According to SSA officials, engaging leaders and managers in developing plans, using sophisticated workforce data analyses to support informed decision-making, and having a central point of accountability to ensure implementation of the plan throughout the organization have been among the keys to the agency's human capital planning success.

SSA's human capital success is based on results, not just "checking off boxes."

### ***Integrating Human Capital with Agency-wide Planning***

The Human Capital Planning Staff (HCPS) begin the planning process by developing a first draft, or "straw man" future workforce transition plan. Upon completing the first draft, the HCPS convenes a working group of leadership and management representatives from 7 to 10 regional offices and SSA's headquarters - including strategic planning and budget personnel - to discuss, refine and finalize the transition plan. The working group validates and/or identifies the strategic goals and trends affecting the workforce reviews the workforce analyses identifies the number and types of employees needed to complete the agency's work determines workforce gaps and brainstorms strategies for attracting, motivating and retaining needed talent.

Once the working group has completed its tasks, the HCPS circulates the plan to all SSA Deputy Commissioners for comment. Following feedback from the Deputy Commissioners, the Future Workforce Transition Plan is revised by the HCPS and finalized by the Deputy Commissioner for Human Resources.

### ***Facts...Just the Facts: Performing Data Analysis to Support Fact-Based Decision-Making***

Collecting and analyzing workforce data to support fact-based decisions by agency leaders has been a hallmark of SSA's human capital management. The HCPS has



## CASE STUDY

## SSA: PREPARING FOR A RETIREMENT BOOM

Page 5 of 6

primary responsibility for collecting and analyzing SSA's human capital data. HCPS performs a variety of complex statistical analyses to provide agency leaders with the information needed to make difficult decisions regarding human capital strategies and the appropriate use of scarce resources. The HCPS extracts information from SSA's Human Resource Management Information System (HRMIS) and examines information regarding employee demographics, composition (e.g., occupations, positions, locations), hiring and attrition.

***Ensuring the Plan is Completed: Creating a Focal Point for Implementation and Accountability***

Once the planning is completed, the real work begins. Implementing the strategies identified in the plan can present a major challenge because workforce planning involves so many issues, including recruiting, development and management activities across the entire organization. To meet this challenge, the HCPS leads implementation and monitoring of the transition plan by working with groups across the agency.

The HCPS has developed a matrix to organize and manage the execution of the agency's plan, a sample of which is included below:

(See [SSA's Future Workforce Transition Plan](#).)

**Sample SSA Future Workforce Transition Plan**

Initiatives	Action Items	Lead	Target Completion	Status
a. Establish process for projecting vacancies in major occupations and determining actions necessary to fill them.	1. Retirement wave analysis will be updated every 3 years.	DCHR	January 2004	Ongoing

Source: SSA

To ensure that tasks are completed on time, the HCPS requires that agency operating units assigned responsibility for executing specific tasks report back progress on a quarterly basis. SSA's five-year FWTP is updated annually.

## CASE STUDY

## SSA: PREPARING FOR A RETIREMENT BOOM

Page 6 of 6

***BUILDING ON RESULTS: IMPROVING HUMAN CAPITAL PLANNING***

Internal and external assessments of SSA's future workforce transition planning point to the same conclusion - planning has improved the agency's strategic human capital management and organizational performance. SSA was one of only a few agencies to initially receive a positive human capital rating from the Office of Management and Budget (OMB) on its first Executive Branch Management Scorecard.

SSA has also used its FWTP process as the foundation for addressing short- and long-term human capital challenges. To improve the mix of skills among employees in the agency, SSA sought and received authority to use voluntary early retirement and separation incentives to reshape the agency. The FWTP also provided the foundation for the agency's efforts to rehire approximately 130 retirees to train incoming employees, without having to reduce the former employees' retirement annuities.<sup>4</sup>

Although SSA has improved its strategic human capital management, the agency continues to evaluate and refine its FWTP in an effort to "... promote the economic security of the nation's people through compassionate and vigilant leadership in shaping and managing America's social security programs."

***CONTACT***

For media inquiries, please contact SSA's Press Office at (410) 965-8904 or [pressoffice@ssa.gov](mailto:pressoffice@ssa.gov). For further information about SSA's future workforce transition planning, contact Lew Kaiser at (410) 965-5902 or [lew.kaiser@ssa.gov](mailto:lew.kaiser@ssa.gov). You may also wish to visit SSA's website at <http://www.ssa.gov>.

---

<sup>4</sup> Ziegler, Mollie, "Social Security Administration: Agency Prepares for Rising Workload, Shrinking Staff," Federal Times (August 4, 2003).