

January 19, 2017

MEMORANDUM TO: Those on the Attached List

FROM: Victor M. McCree */RA/*
Executive Director for Operations

SUBJECT: ENHANCING STRATEGIC WORKFORCE PLANNING

Our ability to fulfill our safety and security mission requires having the right number of people, with the right skills, in the right place, at the right time. Because of this, in the U.S. Nuclear Regulatory Commission (NRC) fiscal year 2014-2018 NRC Strategic Plan, the Commission identified “Human Capital” as one of the two key management objectives, describing it as follows: *“Attract, develop, and maintain a high-performing, diverse, engaged, and flexible workforce with the skills needed to adapt to workload changes and effectively carry out the NRC’s mission now and in the future.”* To achieve this objective in a dynamic workload environment where work forecasts change, skills required of the workforce evolve, and onboard skills inventories shift, it is imperative that we better integrate human capital planning with broader agency operational strategies. By doing so, we will be able to more effectively align workload, skills, people needs and organizational structure to meet short- and long-term objectives. Other benefits will include increasing the range of skills and abilities of our people, while creating a more agile talent pool that will allow us to respond more quickly to unplanned changes in our work.

The purpose of this memorandum is to form a working group to develop a comprehensive, integrated and systematic Strategic Workforce Planning (SWP) process. The primary objective of the working group is to enhance the existing SWP process by better integrating the agency’s workload projection, skills identification, human capital management, individual development, and workforce management activities. In developing recommendations to improve the SWP process, the working group should evaluate the current activities in the aforementioned areas individually and collectively to identify opportunities for improved effectiveness in meeting current and future workforce needs. The NRC currently uses a number of activities to ensure meeting current and future mission demands. In formulating the NRC budget, we employ the planning, budgeting, and performance management process, which relies in part upon industry input, to project workloads approximately two years prior to execution. Using this process, NRC has benefitted from a longstanding capability to recruit, retain and develop a highly-skilled, diverse, technical workforce with capacity and agility to meet emerging needs and workload fluctuations. The NRC’s capacity and agility will likely be increasingly challenged over the next several years, by workforce demographics and external factors resulting in a declining budgetary environment.

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Through Project Aim and other human capital activities, the NRC has made progress in better forecasting our work and identifying changes to our budget needs. However, further improvement is needed to deliver mission value more efficiently in a time of increasingly constrained budgets and a dynamic workload environment. Increased and continued management attention is essential to ensure that NRC's succession planning and core competencies are maintained in a manner sufficient to respond to emergent safety and security issues and changes in workload demands.

Accordingly, by this memorandum, I am tasking you to participate in a working group to develop a more clear, coherent, comprehensive, and consistent approach to integrate workload projection and human capital management activities. The following describes the minimum components expected to be included and improved in the enhanced SWP process:

- (1) **Workload Projection** – This component will identify and quantify anticipated work, including the *estimated FTE required and timeline projections*. This activity should incorporate *forward-thinking workforce planning and analysis techniques*, to the extent practical and consistent with fiscal restraints, including a continuous environmental scan to promptly identify enterprise risks and effect mitigation strategies.
- (2) **Skills Identification** – This component will develop and implement a recurring, consistent, and transparent analysis of the current and future state, informed by the workload projection, including a *forecast of the human capital needed* to achieve the agency's program performance goals and objectives during the term of the agency's strategic plan, and identification of potential shortfalls or gaps. The objective is to assure high confidence of maintaining the *occupations and mission-critical competencies* most critical to agency performance, considering key demographics (e.g., talent analyses, turnover, and retirement eligibility), current and projected staffing levels, attrition and hiring estimates, and proposed training and development investments.
- (3) **Staffing**–This component will define the approach to hiring, positioning and managing human capital, and provide information and tools to assist in identifying the best option for filling vacancies (including internal transfers and external hires).
- (4) **Employee Development and Growth** – This component will integrate a technical and professional development infrastructure that includes training, qualification, development, knowledge management, and skills enhancement that enables the agency to staff its workforce with the right people with the right skills at the right time to accomplish the agency's mission. Additionally, this component will facilitate and encourage the use of individual development plans (IDPs). Leaders should work with each employee to create an IDP that facilitates employee growth and development as well as expanding one's ability to contribute to the agency's mission-critical competencies while increasing organizational agility. This component will also contribute to our ability to gather information available in IDP's to support workload planning for training and development.
- (5) **Related Human Capital Planning Tools** – This component complements the other SWP components by assuring that the NRC's organizational structure, processes, procedures, and other internal controls support accomplishment of the NRC's mission in an effective, efficient, and agile manner.

In addition to the above components, you should consider the following in your evaluation:

- (1) Critical Skills Needs - Individual business lines and offices consistently use budget information, staffing plans, and work projections to identify critical skills needs and human resource strategies. These strategies collectively create an enterprise-wide approach towards recruitment goals, workforce composition goals, numbers of senior staff in a given grade/discipline, career ladder progression, required amount of supervision (supervisory to staff ratios). These activities should facilitate strategic projections beyond the two year budget cycle and align with the 5-year strategic plan goals and objectives. In addition, activities should enable and encourage the identification of critical skills and assets across organizational boundaries, and support pragmatic approaches to solve emergent problems in an agile manner.
- (2) Independence Principle of Good Regulation – in conducting our mission, NRC must retain sufficient staffing, skills, and expertise to conduct independent decisionmaking; commensurate with the range and the number of facilities and activities to be regulated. NRC has always strived to maintain adequate core competence within the NRC staff to make informed safety and security decisions. While NRC may contract for technical assistance, or for efficient management of workloads, the competency to make the safety and security decisions is expected to remain within the NRC staff.
- (3) Relationship to the Budget Process – the components of the SWP, including workload projections, should be used to inform the NRC budget formulation process as described in Management Directive (MD) 4.7, “Budget Formulation.” For example, one of the first steps in the annual budget formulation process is the development of high level planning guidance (HLPG), which includes overarching fiscal guidance, business line planning guidance, and areas for potential offsets in the budget. The SWP workload projections should be consistent with, and complement, the staff’s proposals to the Commission for HLPG.
- (4) Credibility in Work Forecasts – the approach should consider the confidence level associated with credibly projecting workload in the U.S. nuclear industry and to support NRC’s international obligations. The continuing changes in the future plans of many NRC licensees and applicants add uncertainty to reliable regulatory work projections. The NRC must be prepared to accomplish its mission for a range of workload scenarios, while adhering to its Principles of Good Regulation and statutory mission.
- (5) Change Management Strategy – this effort should complement the efforts identified in the September 15, 2016, memorandum, “Change Management Strategy to Improve NRC’s Effectiveness, Efficiency and Agility,” associated with the key strategic workforce planning components including: workload projection, staffing, skills identification, staff development (including training and qualification) and organizational restructuring.
- (6) Government Standards and Guidance – this effort should continue to satisfy the applicable government-wide standards and guidance; including, but not limited to: GPRAMA, 5 CFR 250, and OMB Circular A-123.

Deliverables

The working group should produce an Implementation Plan for enhancing NRC's Strategic Workforce Planning, with recommendations that reflect consideration of the above components. The report is due 90 days from the date of this memorandum. The recommendations should include a communications plan that identifies outreach or communications needed with internal and external stakeholders (NRC has developed a Change Management Strategy tool that may help in this regard). In addition, to ensure effective coordination and consideration of other ongoing agency initiatives, the working group should engage senior leadership through the Project Aim Steering Committee.

Those on the Attached List

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MEMORANDUM: ENHANCING STRATEGIC WORKFORCE PLANNING DATED 01/19/17.

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MEMORANDUM TO THOSE ON THE ATTACHED LIST DATED: January 19, 2017

SUBJECT: ENHANCING STRATEGIC WORKFORCE PLANNING

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