Accenture Federal Services

Optimize Your Federal Workforce Using Data and Analytics

Five Strategies for Federal Management to Maximize Human Capital
A typical federal agency spends 50 percent of its budget on workforce salary and personnel support functions.¹ It comes as no surprise that federal management invests heavily in its people; however, shrinking federal budgets create pressure to reduce spending across the board. Now is the time to uncover opportunities to fund workforce optimization efforts, generating long-term savings that can be reallocated to mission services.

By following a more strategic, data-driven approach that aligns the workforce with the mission, agencies can meet the demands of shrinking budgets and rising retirement numbers—while still supporting their agency. These innovative strategies boost workforce efficiency and help federal management make data-driven decisions around human capital. Such actions both reduce workforce costs and increase productivity, making agencies more agile in today’s challenging economic environment.

Using workforce data to drive decisions can help your agency:

- Reduce workforce costs.
- Increase overall productivity.
- Balance the supply and demand of talent.
- Optimally allocate resources while staying aligned to strategic objectives.

A government agency analyzed its employee utilization against current staffing levels and targeted process improvements—these programs produced savings of $2 million a year (four percent of the agency’s budget), which it could apply toward new capabilities.

### Five ways to align the workforce to meet mission requirements

These five strategies will help you optimize your organization—with the right blend of people with the right skills—to successfully execute your agency’s mission.

1. **Prioritize human capital initiatives**

   Federal management often prioritizes projects and functions based on mission requirements, but not all agencies have a defined human capital strategy to align with these prioritized decisions. Before prioritizing human capital initiatives, an agency should collect/analyze the necessary workforce data to understand the as-is workforce structure in order to make informed decisions on implementing an effective human capital strategy.

   Analytics and workforce optimization practices helped an organization determine the optimal mix of in-house and contractor personnel, maintaining high customer satisfaction while saving more than $1 million.

   A strategy for human capital aligned to your agency’s overall strategic objectives will allow your agency to:

   - Plan when and how to invest in the best people for high-priority programs.
   - Align investments with budget allocations.
   - Specify how human capital savings can be captured and sustained.

2. **Use human capital analytics**

   Both descriptive (historic) and predictive (future) analytics will reveal workforce issues and needs, enabling federal management to make informed recommendations on how to optimize the workforce.

   Analytics approaches include:

   - **Descriptive analytics.** Descriptive analytics provide a rearview mirror into your organization’s current situation. Using analytic data, such as demographics, an agency can better understand the composition of its workforce, such as the ratio of employees to contractors or ratio of supervisors to non-supervisors. By understanding your workforce composition and potential skill shortages, you can reallocate resources to the most mission-critical areas.

   - **Recruiting analytics.** Early identification of candidates whose values match your agency’s mission and whose capabilities support your agency’s vision can reduce recruiting lead time and improve the quality of your workforce. Agencies also can use recruiting analytics to create a strategic talent sourcing program and determine if skills gaps are best addressed by retraining existing employees, or looking outside—whether to an external hire or contractor. A leading commercial organization has seen a 40 percent reduction in recruitment costs by implementing a recruitment predictive model.

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¹ According to Accenture research and analysis.
• Retention analytics. As the pipeline of qualified candidates for critical jobs and functions continues to shrink, retention analytics will help agencies understand the optimal mix of compensation, promotions and other incentives to improve retention.

• Attrition modeling and analytics. The retirement wave is happening – by 2030, all baby boomers will be 65 years or older.² Keep up with it by using the data you already have in-house. Run analytics to manage your knowledge base and evaluate early retirement options to reduce personnel costs. One organization developed a predictive model that identified possible attrition scenarios three to four months in advance. The organization used this extra time to create prophylactic actions and resource retention plans, resulting in a direct cost avoidance of $10 million from recruitment and training.

A branch of the US armed services used analytics to offer service re-enlistment bonuses that make effective use of incentive dollars. This improved retention rates while reducing recruiting and training costs.

3. Improve talent forecasts
Workforce planning studies frequently show a critical mismatch between the supply and demand of talent. By accurately forecasting attrition rates and analyzing future talent needs, you can determine the number and type of people required to achieve your agency’s mission.

The Toronto Police Service initiated a program to realign functions to deliver policing services more effectively and efficiently. Improvements included: reducing spans of control; identifying new opportunities for civilianization; gaining a better understanding of the number of officers required to meet current demand; and drawing clearer correlations between strategic decisions and the size of the organization— with a direct impact on the operational cost of the service.

A state government consolidated more than 100 state agencies, boards and commissions into a shared services model. They anticipate saving $145 million over the next 20 years.

4. Rethink the operating model to optimize efficiency
When agencies perform similar functions within headquarters and regional locations, this can work. Assess your organizational design and operating model to streamline functions and improve processes. Determine the duplicative tasks and activities performed across business units and use agency data to determine what operating model would work the most efficiently for the organization. By understanding the as-is state, an agency can make informed decisions on how they can optimize their organization.

5. Understand competencies
There is often little to no clarity on how people can move up or across an agency. A competency framework defines which competencies are necessary for success in your organization, giving employees insight into which skills they should acquire, and which career paths they may want to pursue. Before a competency framework can be developed, a competency assessment should use data to analyze and determine the current workforce skills and identify gaps. Your agency can use a competency framework to:

• Evaluate employee knowledge, skills, abilities and proficiencies.
• Identify training or certifications required to fill any skills gaps.
• Access workforce readiness for changes in mission, business processes or system implementation.

Research shows that when analytics are used to optimize talent, time to competency is increased by 35 percent and employee "churn" is reduced by up to 20 percent.

A large defense agency reduced the number of position descriptions and performance standards by 20 percent across 12,000 employees, aligning their job model to revised processes, metrics and performance standards as well as saving $11.7 million in job maintenance and HR administrative costs.

Your people. Your potential.
Despite spending cuts and hiring freezes, your agency can achieve its mission without austere headcount reductions. By optimizing your workforce using the strategies mentioned previously, you can build a strategically efficient workforce that is agile to respond to the dynamics of today’s fiscal environment. Your workforce will also be equipped with the right people who have the right skills to support your mission goals.

²Pew Research Center population projections
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