



## ■ Business Impact

“Impending retirements can leave government with a significant knowledge gap as more than 48 percent of the workforce, including 67 percent of supervisors, will be eligible to retire by 2015.”

“Smarter Hiring,” *Government Executive*. May 2011

## ■ Challenges

- **Misplaced focus.** Government executives tend to react to current pressures and focus on the situation at hand, rather than engage in planning that considers future program demand.
- **Aging workforce.** Many government agencies are faced with an aging, skilled workforce that will soon retire, taking their skills and knowledge with them.
- **Scattered workforce data.** Disparate systems store critical workforce data (e.g., labor distribution/payroll, employee master data, training databases, performance evaluations, succession plans) – and it can be difficult or impossible to pull all that data together consistently.
- **Inability to plan ahead proactively.** Organizations are often limited to reacting to today’s data and cannot anticipate future gaps in talent availability due to a lack of predictive ability.
- **Communication issues.** Executives often struggle to effectively communicate the results of workforce analyses to other executives.



## How can we plan for the right skills at the right times and locations to address anticipated program demand?

### YOUR GOAL: Improve workforce planning

The workforce represents one of the most significant costs for organizations. Nearly every activity associated with human capital management hits the budget. In particular, workforce turnover – voluntary or not – leads to additional costs for hiring, training, compensating, retaining or outplacement services. Turnover is inevitable in government, but even at a low rate it amounts to replacing nearly 100,000 people each year in the US.<sup>1</sup> An aging workforce complicates the situation. In the UK, one of every four workers is 50 or older, creating age and retirement risks.

Government leaders need to make smart workforce decisions based on predicted demand for their programs and services. But it’s challenging to forecast program demand accurately, since resource data is often scattered among disparate systems and difficult to pull together. As a result, government leaders lack confidence to implement workforce readiness techniques that could identify talent appropriate for their needs. Without predictive insight to guide workforce transition and training plans, there can be a costly gap in available workforce, skills and talent – or an overabundance of the wrong skill sets – which unintentionally wastes taxpayer dollars.

### OUR APPROACH

To align your human capital strategy with business needs, you need to confidently plan for changes in your workforce. You can optimize workforce management strategies and avoid unnecessary future costs by balancing short- and long-term skill development with the financial implications of increasing or reducing the workforce. We approach the problem by providing software and services to help you:

- **Forecast workforce demand** based on program expectations, macroeconomic variables (e.g., policy decisions) and external factors, using advanced forecasting technology that pulls from multiple data sources, public and proprietary market data, and your organization’s historical patterns.
- **Forecast workforce supply** based on history, current workforce and regional demographics by gathering disparate employee data (e.g., skills, positions, turnover) and using forecasting techniques to anticipate the future volume of available workforce by location, time, skill and more.
- **Determine the right skills to employ** at the right time, in the right place and at the right cost by assessing predicted gaps between demand and supply and identifying areas where you need workforce planning – such as training time for new employees.
- **Effectively manage the bottom line** to minimize the impact of workforce changes by integrating forecasts with financial information and using scenario analyses for a balanced perspective on workforce plans, such as comparing retraining options with hire-and-replace scenarios.

As you seek solid financial ground and pursue opportunities for innovative organizational expansion, you can rely on predictive workforce planning to deliver results both today and in the future.

<sup>1</sup> Long, Emily. “Smarter Hiring,” *Government Executive*. <http://www.govexec.com/features/0511-01/0511-01s1.htm> May 2011.

## THE SAS® DIFFERENCE: Flexible, powerful forecasting capabilities

SAS offers workforce planning capabilities that match your reality today, while anticipating demand for tomorrow. Only SAS provides you with the right resources for intelligent workforce analytics, including:

- **Repeatable processes.** Reduce manual, error-prone activities with automated, repeatable processes for data gathering and analysis.
- **Flexible forecast generation.** Run forecasts automatically or on an ad hoc basis whenever there's a change in predicted demand for a program or available talent.
- **Automated forecasting models.** Quickly generate large quantities of high-quality forecasts so you can plan more effectively for the future.
  - o SAS software automatically chooses the most appropriate model from an extensive model repository, optimizes model parameters and then runs the forecast.
  - o Forecasters can focus attention on problematic or high-value forecasts and conduct what-if analysis through the scenario analyzer tool.
- **Advanced forecasting.** Determine what will happen, the best that can happen and the next best action to take using advanced, predictive analytics.
- **Superior data management.** Consolidate disparate data sources (e.g., performance evaluations, training, compensation) for a holistic view of talent.

SAS can be fully integrated with your financial models, enabling you to calculate ongoing costs and financial impacts by modifying and modeling standard workforce costs (e.g., hiring, attrition, overtime, early-out packages). For more than 35 years, government entities the world over have relied on SAS for successful, proven solutions to their most complex problems.

## CASE STUDY: North Carolina Office of State Personnel (OSP)

### Situation

The state of North Carolina must meet the needs of a growing population in the face of an impending state worker shortage. Of 90,000 current employees, more than 58 percent are baby boomers. Ten percent are currently eligible to retire, but that number will jump to 38 percent by 2015. The OSP needed to forecast the eligible supply of candidates to fill openings for an anticipated state worker shortage.

### Solution

SAS provided the OSP with a solution that includes:

- A single repository (North Carolina Workforce Outlook and Retirement Knowledge System, or NC WORKS), which combines multiple workforce data sources.
- Advanced business analytics that let the state predict employee turnover and the availability of qualified candidates needed to fill openings.

### Result

- Overall performance is improved because NC WORKS provides the workforce intelligence needed to proactively respond to changing workforce demographics.
- Agencies can access predefined and ad hoc analyses, forecasts and predictions related to human capital needs to help them make strategic decisions about current and future talent requirements.

### What if you could ...

#### Forecast workforce demand

What if you could forecast workforce demand based on program expectations and public policy variables, and then share that information readily with all lines of business to help you align appropriate resources to meet anticipated program demand?

#### Forecast workforce supply

What if you could predict employee turnover and the availability of qualified candidates needed to fill those openings by job type and location?

#### Mitigate predicted workforce gaps

What if you could address any calculated workforce gaps through the right combination of hiring and training, as well as by modeling multiple scenarios, to understand the implications of executing reduction in force, various early-out packages or cross-training existing personnel?

#### Minimize the impact of workforce changes

What if you could have transparency into the full cost of workforce changes and optimize workforce movements to meet program demand while avoiding costly mistakes, such as rehire?

### You can. SAS gives you THE POWER TO KNOW®

## SAS FACTS

- SAS has more than 35 years of experience in working with government entities worldwide.
- All 15 major US federal departments are SAS customers.
- Approximately 85 percent of independent US government agencies and commissions use SAS.

Learn more about SAS software and services for government:  
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