

WORKFORCE PLAN 2022-25

HUMAN RESOURCES | SEPTEMBER 2022



CONTINUOUS **LEARNING** LEADS TO
CONTINUOUS **IMPROVEMENT**. COMMIT
YOURSELF TO ADVANCING YOUR
KNOWLEDGE, SKILLS, AND EXPERTISE.
THE BUSINESS ENVIRONMENT IS QUICKLY
CHANGING, AND YOUR UNDERSTANDING
OF THE LEADING **PRACTICES, THINKING,**
AND **EMERGING** TOOLS WILL HELP YOU
MANAGE FOR **BETTER RESULTS**. BE A
LIFELONG STUDENT.

PAMELA GILL ALABASTER
SVP, GLOBAL HEAD OF SUSTAINABILITY
AND SOCIAL IMPACT AT MATTEL, INC.

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A MESSAGE FROM CALSTRS DIRECTOR OF HUMAN RESOURCES

The California State Teachers' Retirement System is pleased to present its Workforce Plan covering fiscal years 2022-25. The plan aligns with the direction of the CalSTRS' Strategic Plan, specifically focusing on being trusted stewards, leading with innovation, managing change, and the sustainability of our organization. The development of this three-year plan was a collaborative process involving employees and stakeholders. This plan provides general information about the services we provide and the strategies we will undertake to address current and future workforce needs.

In essence, workforce planning is the identification and analysis of what CalSTRS needs in terms of the experience, knowledge, skills, and quality of the workforce in order to achieve our strategic objectives. Strategic planning, budget, and human resources are key players in workforce planning. Human Resources provides tools for identifying competencies needed in the workforce and for recruiting, developing, retaining, or placing employees to build the workforce of the future.

Human Resources' strategies continue to be a top focus for strategic planning in support of the mission and business operations. The aging workforce poses several

challenges, including skills shortages and retirements. Likewise, continuous changes in California demographic population and an increasingly competitive labor market add to the list of current challenges.

Moving forward as the future of work continues to evolve, it is important to note that the initiatives outlined in this workforce plan enables CalSTRS to shift the work that people complete to focus on more strategic, creative, and unique tasks. When all parts of the organization are involved and everyone buys into the process, workforce planning becomes integral to overall organizational improvement.

This plan should help inform the opportunities and challenges facing CalSTRS. As we proceed with workforce planning, the plan will be a useful tool. CalSTRS is excited about the future, and we are committed to building a strong, adaptable, and diverse workforce to serve our members, California's educators, with excellence!

KRISTEL TURKO

Director of Human Resources

CALSTRS – AT A GLANCE

Organization Overview

The California State Teachers' Retirement System was established by law in 1913 to provide retirement benefits to California's public-school educators from prekindergarten through community college.

CalSTRS, with a portfolio valued at \$312.2 billion as of April 30, 2022, is the largest educator-only pension fund in the world. CalSTRS administers a hybrid retirement system, consisting of traditional defined benefit, cash balance and voluntary defined contribution plans. CalSTRS also provides disability and survivor benefits. CalSTRS serves California's 980,000 public school educators and their families from the state's 1,700 school districts, county offices of education and community college districts.

Purpose

The CalSTRS Workforce Plan provides a high-level view from which each CalSTRS employee can better understand the major workforce-based challenges the organization will face in alignment with ongoing mission critical activities and the future direction of the organization.

Over the next three years, and beyond, HR will continue to lead and engage with leadership and staff on workforce planning activities.

Each branch within the organization will be involved in developing and realizing solutions to recruit, retain, manage performance, develop staff, and mitigate organizational knowledge management issues in order to best meet the demands of each branch's unique business need.

OUR CORE VALUES

The CalSTRS core values are a set of attitudes, beliefs and behaviors that define CalSTRS and its employees.

CUSTOMER SERVICE

We never compromise on quality as we strive to meet or exceed the expectations of our customers.

ACCOUNTABILITY

We operate with transparency and accept responsibility for our actions.

LEADERSHIP

We model best practices in our industry and innovate to achieve higher standards.

STRENGTH

We ensure the strength of our system by embracing a diversity of ideas and people.

TRUST

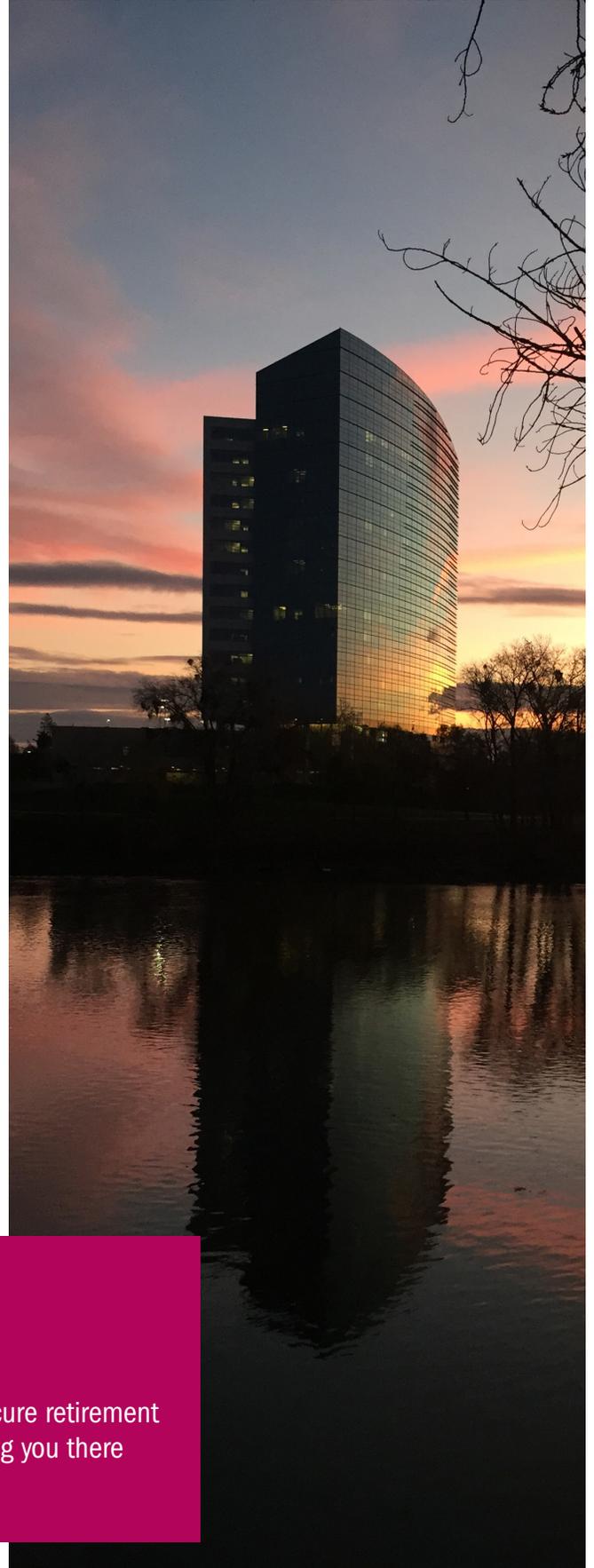
We conduct ourselves with integrity, acting ethically in every endeavor.

RESPECT

We respect the needs of our members, co-workers, and others, treating everyone with fairness, honesty and courtesy.

STEWARDSHIP

We recognize our fiduciary responsibility as the foundation for all decision-making.



CALSTRS GUIDING PRINCIPLES

<p><i>Our Mission</i></p> <p>Securing the financial future and sustaining the trust of California's educators.</p>	<p><i>Our Vision</i></p> <p><i>Your Reward</i>—A secure retirement <i>Our Reward</i>—Getting you there</p>
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OUR CORE COMPETENCIES

CalSTRS core competencies are behavioral characteristics that are essential for the success of each contributor and are directly related to the success of CalSTRS as a whole. Competencies are a set of defined behaviors that provide a structured guide enabling the identification, evaluation, and development of the behaviors in individual employees.

Adaptability/Flexibility

Adapts well to changes in assignments and priorities. Adapts behavior or work methods in response to new information, changing conditions, or unexpected obstacles. Approaches change positively and adjusts behaviors accordingly.

Communication

Clearly conveys and receives information and ideas, through a variety of media, to and from individuals and groups in a manner that engages the listener, helps them understand and retain the message, and invites response and feedback. Keeps others informed as appropriate. Demonstrates applicable job-related written, oral, listening and interpersonal skills.

Customer/Client Focus

Identifies and responds to current and future client needs and provides excellent service to internal and external clients.

Teamwork

Participates as an active and contributing member of a team to achieve team goals. Works cooperatively with other team members, involves others, shares information as appropriate and shares credit for team successes.

Work Standards/Quality Orientation

Sets high quality work standards and well-defined, realistic goals for one's self. Displays a high level of effort and commitment towards completing assignments in a timely manner with thoroughness and accuracy. With minimal supervision, monitors and checks work to assure it meets standards. Is motivated to achieve.

BOARD STRATEGIC GOALS

GOAL 1: TRUSTED STEWARDS

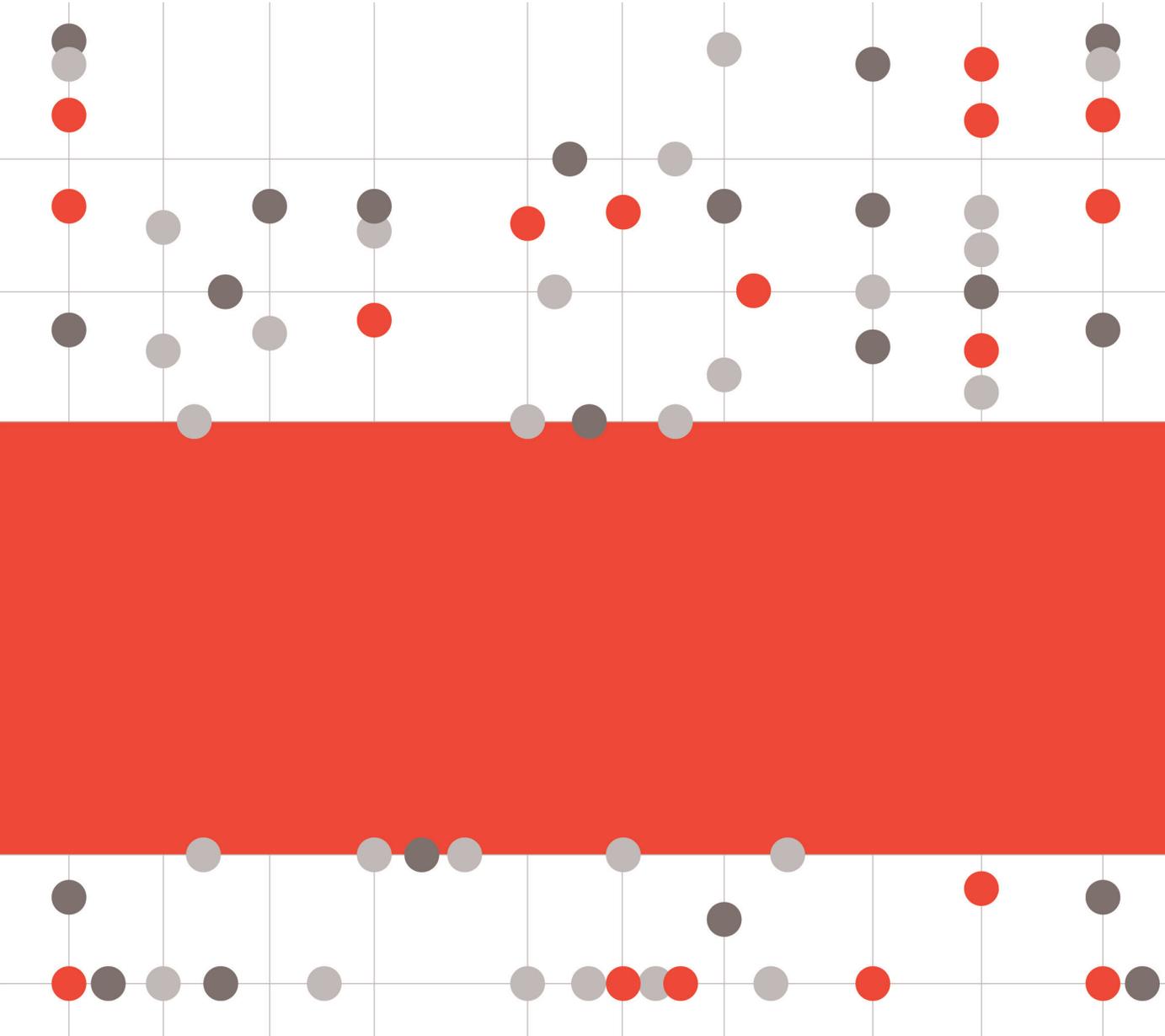
Ensure a well-governed, financially sound trust fund.

GOAL 2: LEADING INNOVATION AND MANAGING CHANGE

Innovate to grow resiliency and efficiency in service of our members.

GOAL 3: SUSTAINABLE ORGANIZATION

Fully integrate a unified environmental, social and governance ethos in all we do.



WORKFORCE PLAN

The CalSTRS Workforce Plan is a high-level analysis of the organization's workforce to address current and future needs. In alignment with the CalSTRS mission, vision, and core values, it is the purpose of Human Resources to support the total operation in meeting its goals through its most valuable resource—its PEOPLE. As a division we are committed to building a successful and sustainable workforce of engaged employees.

This Workforce Plan serves as a useful starting point for understanding the elements involved in workforce planning. The information that follows includes the current state of the CalSTRS workforce and identification of where gaps exist between what the workforce currently possesses and future requirements.

Workforce Planning—the CalSTRS Approach

What is workforce planning?

Workforce planning is an organized process for identifying, analyzing, and forecasting the number of employees and the types of employee skill sets required to meet an organization's goals and strategic objectives. Additionally, workforce planning is a dynamic and continuous process that extends beyond leadership succession to encompass all of the organization's staffing needs, now and in the future.

Why is workforce planning important?

Workforce planning enables an organization to proactively plan for and address changes in its strategic direction and workforce needs required to meet organizational goals. It allows leaders to anticipate change or disruption, rather than being surprised by events, and provides strategic methods for addressing current and anticipated workforce issues.

CalSTRS' success depends on having staff and leaders with the right knowledge, skills, and abilities at the right time and in the right positions. Workforce planning provides an organization with the means of identifying the competencies needed now and, in the future, and selecting for and developing those competencies within our workforce.

What is involved?

The Workforce Planning process includes determining the number of workers and types of skills needed, where and when they will be needed and innovative strategy development to meet these requirements.

Workforce planning endeavors center around assessment of organizational workforce readiness and response to the ongoing operational and strategic needs of the organization. This effort is accomplished through activities such as recruitment, training, performance management, staff development, retention, and organizational knowledge management to support the mission and goals of the organization. The actions to be taken may depend on either internal or external factors. These factors may determine whether future skills will be needed or met.

Benefits of workforce planning

Workforce and succession planning provide the following benefits:

- Allows CalSTRS to bridge knowledge gaps caused by attrition.
- Allows CalSTRS to achieve maximum effectiveness.
- Provides needed human resource information to effectively manage programs and projects.
- Creates a long-term recruitment strategy that highlights the current workforce issues and analyzes future risks.
- Allows leaders to establish metric benchmarks to inform executives about workforce risks.

WORKFORCE PLANNING MODEL

CalSTRS has developed a four-step workforce planning model. The CalSTRS workforce planning model provides a general framework to help assist with workforce planning activities. The information that follows includes a graphic representation of this model and brief descriptions of each of its four steps.



WORKFORCE OVERVIEW

Current Workforce Profile

The workforce snapshot below provides an overview of the CalSTRS workforce as of December 31, 2021. CalSTRS has 1,271 total filled positions, which is an increase from 1,158 in 2017. A majority of the growth is attributed to support CalSTRS major projects, including the Collaborative Model, Pension Solution, and Headquarters Expansion.

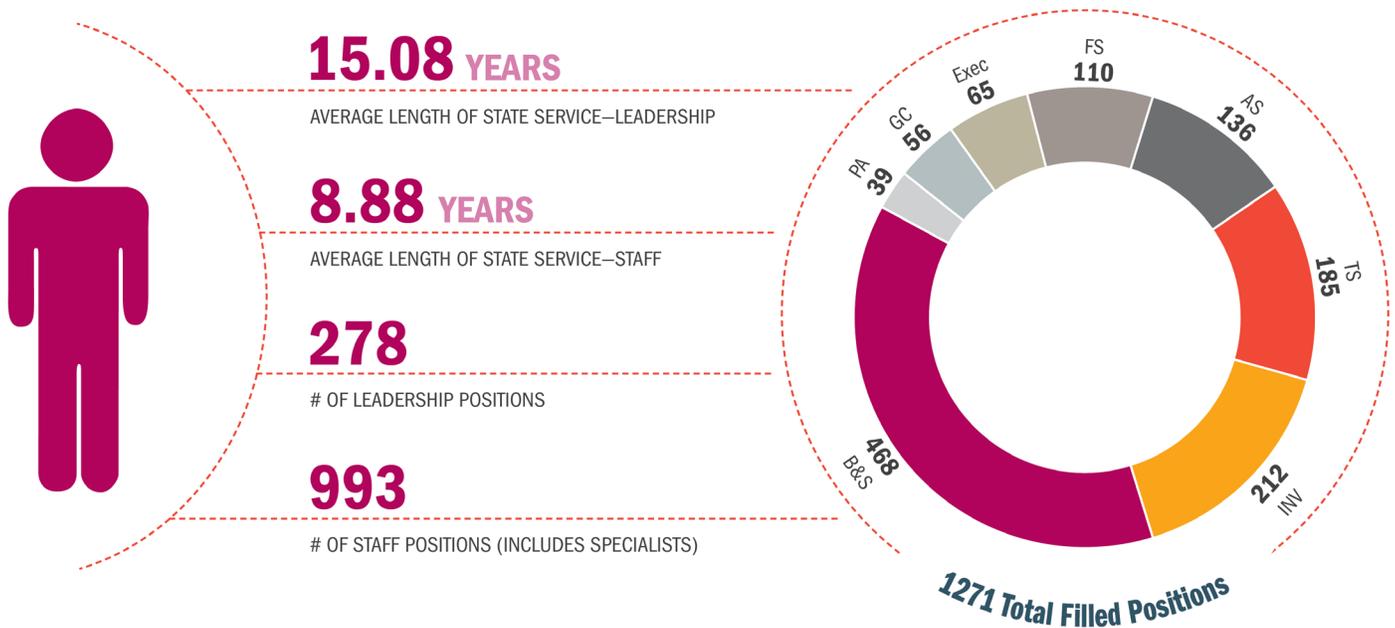
The Investments Branch has seen the largest growth in positions at a 40% increase. The Investments Branch has been working towards the adoption of the Collaborative Model and in an effort to ready the organization, moved through the Pillars Project that has been a catalyst for growth in partnering business areas. Administrative Services has seen a 13% growth over this period as a result of additional support in Investment Procurement, Travel, and the expansion of the Talent Acquisition team to strengthen recruitment efforts.

Human Resources Organization Development saw growth in training resources to support Pension Solution. Similarly, Financial Services realized a 11% growth in support of Pension Solution, as well as a reorganization within Investment Accounting.

Another area of growth was within Public Affairs. Due to the increase in complexity and sensitivity around certain topics, including divestment and pension spiking, in addition to CalSTRS increased efforts in sustainability, socially responsible and conscious practices of our investments and partners to better align with CalSTRS values, Public Affairs has realized a 15% growth.

The average age of CalSTRS staff is 42.29, which is slightly younger compared to the average age of 43 within the greater State of California civil service workforce. Staff has, on average, 8.88 years of state service while Leadership has, on average, 15.08 years.

EMPLOYEE COUNT AND YEARS OF STATE SERVICE



As of 12/31/2021

DEMOGRAPHICS

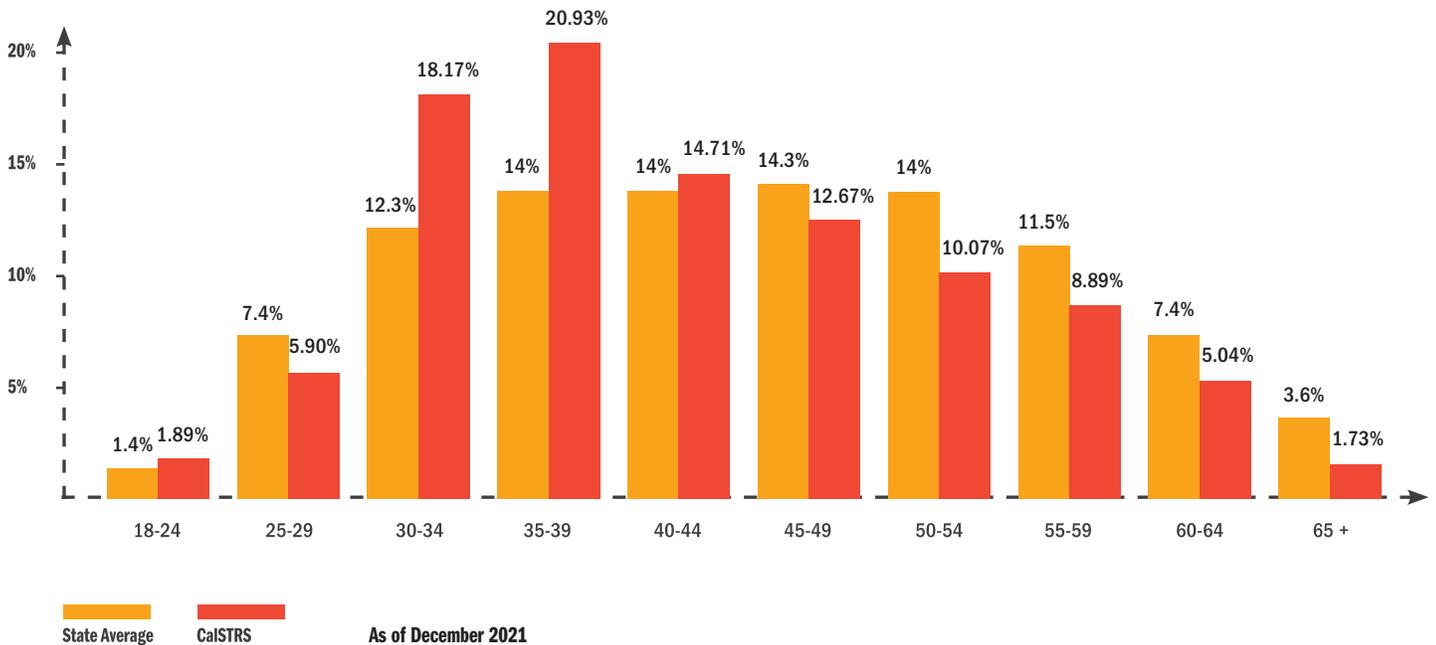
Recognizing that people are the foundation of everything that we do, CalSTRS utilizes strong workforce data analytics to ensure that we are aligned with industry trends, on-target for meeting our organizational goals, and continuously developing workforce practices that deliver results in order to attract, develop, and retain talent. CalSTRS has a mix of employees representing various age groups, generations, and ethnicities. Although each employee is an individual with their own influencers, traits, and values, generational descriptors can be used as high-level generalizations for understanding the differences between generational groups and why barriers in communication may exist. It should be noted that general descriptors, or stereotypes, for any group of people are sensitive and should not be assumed as factual.

Demographic differences are advantageous to the organization because they influence the way one thinks and approaches problem solving. Diversity of thought leads to innovative solutions to historical problems, greater efficiency, happier, healthier, and more engaged employees, which drive a more successful CalSTRS.

Age

CalSTRS has an even distribution of age groups. As indicated in the chart below, CalSTRS staff is younger on average than the greater State of California civil service workforce. With CalSTRS' larger than average groups between 25 and 39 years of age we hope to be positioned well as older generations consider retirement. The larger internal talent pool will support our succession planning efforts and lessen impacts to organizational operations.

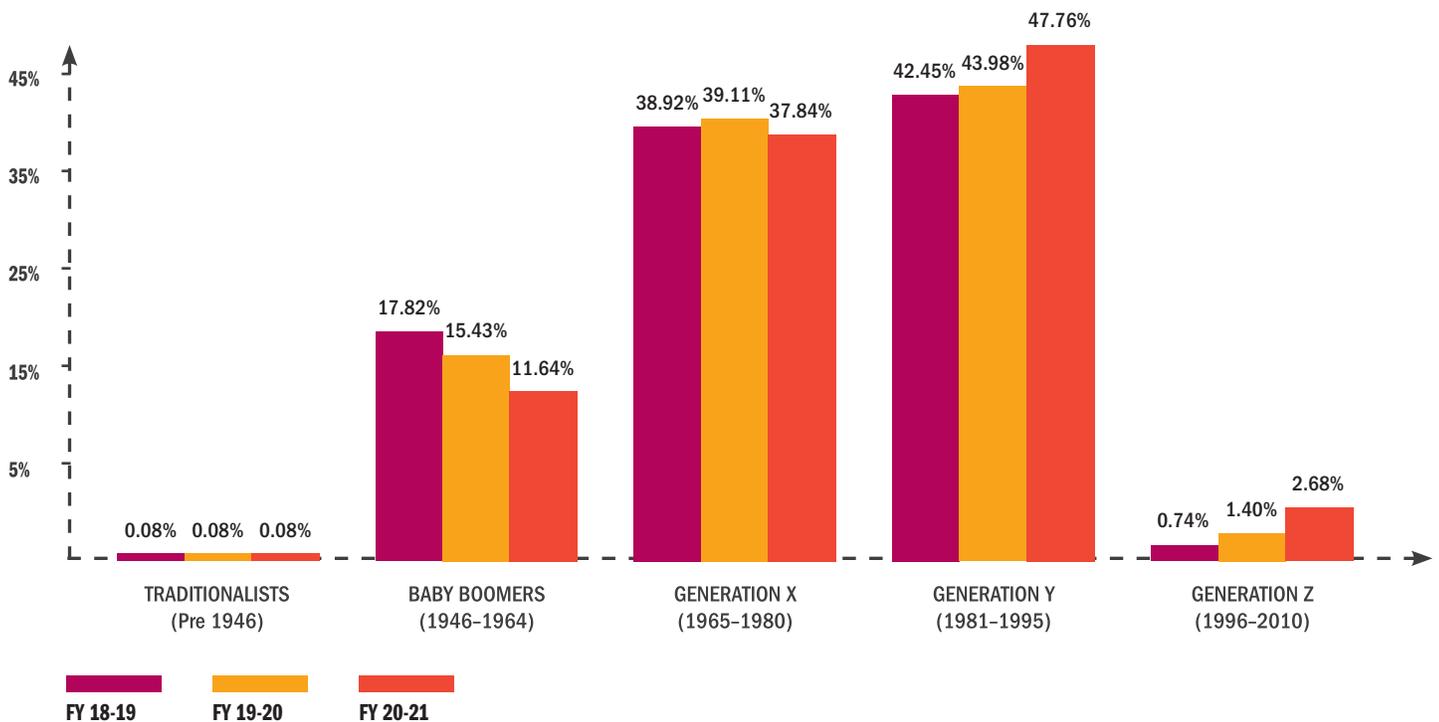
AGE DEMOGRAPHICS (CALSTRS vs. STATE SERVICE)



Generation

As shown in the chart below, CalSTRS workforce has been getting younger over the past several years, which is expected given Baby Boomers are now well within retirement age. We now have more staff in Generation X or Y than Baby Boomer. Additionally, in the last iteration of the plan we introduced Generation Z—born between 1996 and 2010, the oldest Generation Zers turned 25+ in 2021 and continue to enter the workforce at a rapid pace. Generation Z is the youngest, most ethnically diverse, and largest generation in American history. From earliest youth, Generation Z have been exposed to the internet, social networks, and to mobile systems. This context has produced a hypercognitive generation very comfortable with collecting and cross-referencing many sources of information.

GENERATIONS



Note: New and developing research on the generations currently in the workforce has identified Generation Z as separate from Generation Y. Generation Y now spans birth years 1981-1995, and Generation Z spans birth years 1996-2010. Generation X spans 1965-1980, Baby Boomer spans 1946-1964, and Traditionalist is pre-1946.

Retirement Risk

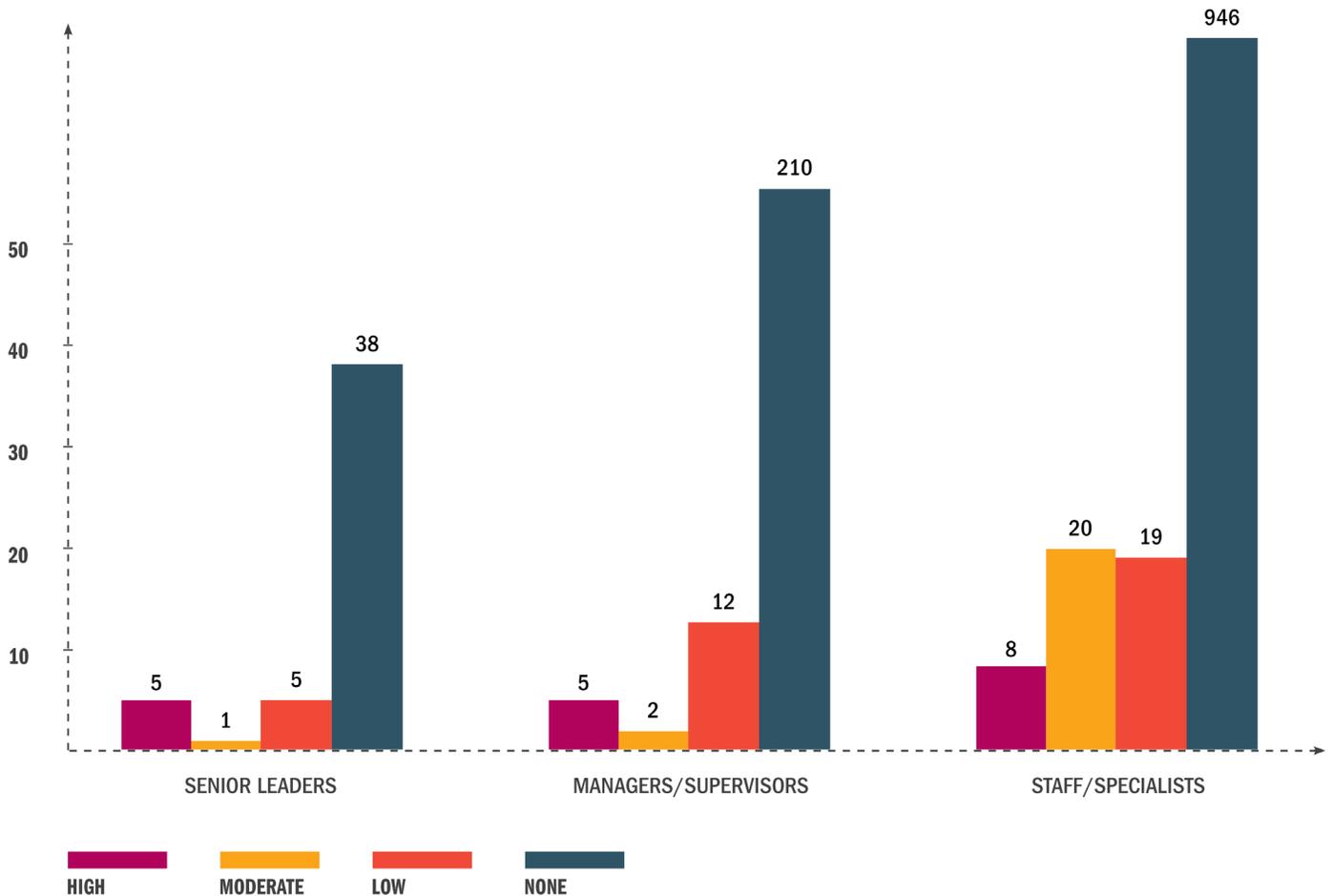
Retirement risk is calculated using a combination of age and years of state service. In the past CalSTRS utilized the CalPERS Classic 2% at 55 retirement formula cutoffs of age 55+ and 20+ years of service as the basis for our risk categories. In 2013 the Public Employees' Pension Reform Act changed the retirement formula for new state employees to 2% at 62. In 2020 the CalSTRS human resources team adjusted the working definitions of retirement risk and formulated new risk categories. This update better reflects true retirement risk as it accounts for the multiple retirement formulas at play in our workforce, and it is based on genuine CalPERS member state employee retirement data published by CalPERS actuarial staff.

As of 12/31/2021, 3.6% of the CalSTRS leadership team had a high retirement risk, 1.1% had a moderate risk, 6.1% had a low risk, and 89.2% had no retirement risk.

At the staff level, 0.8% had a high retirement risk, 2.0% had a moderate risk, 1.9% had a low risk, and 95.3% had no retirement risk.

The senior leader group will always be our most concerning group for retirement risk by nature of the depth and breadth of experience typically required of senior leader positions. However, with nearly 90% of the leadership team having no retirement risk, CalSTRS has built in potential for strong leadership continuity.

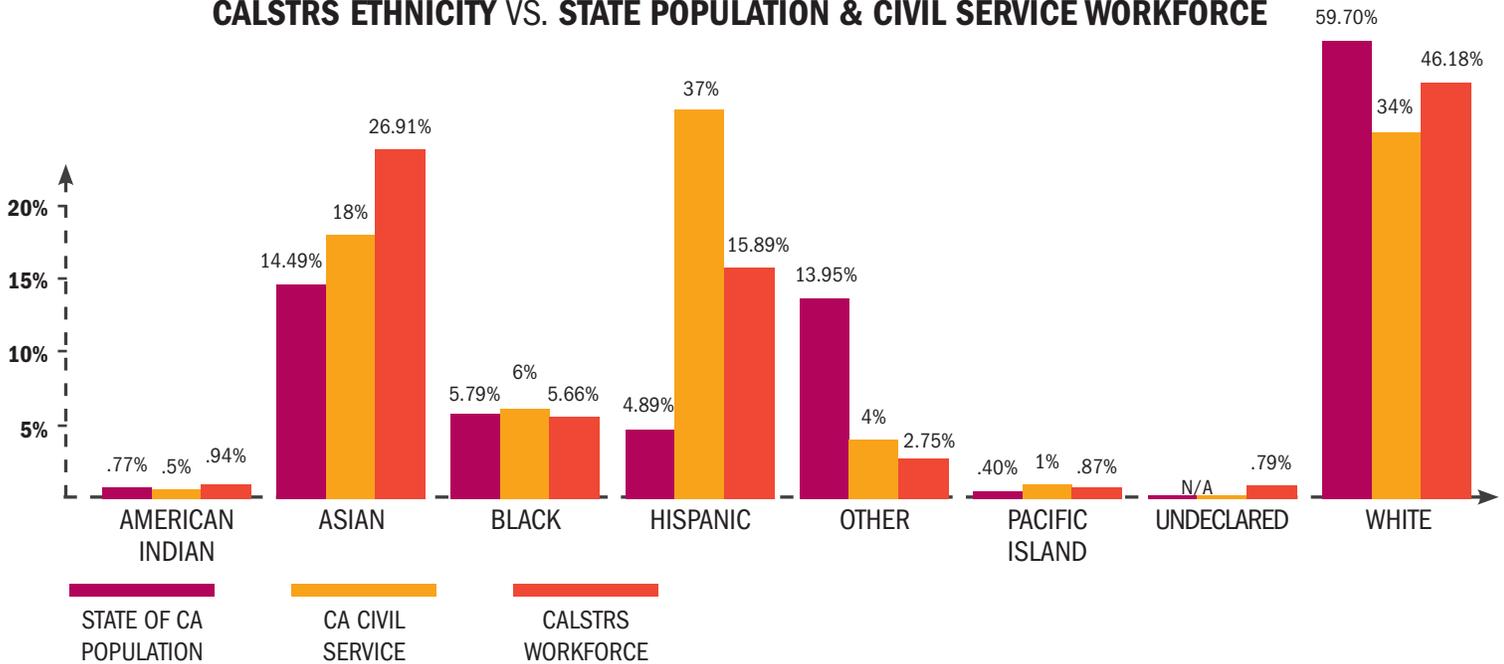
CALSTRS RETIREMENT RISK



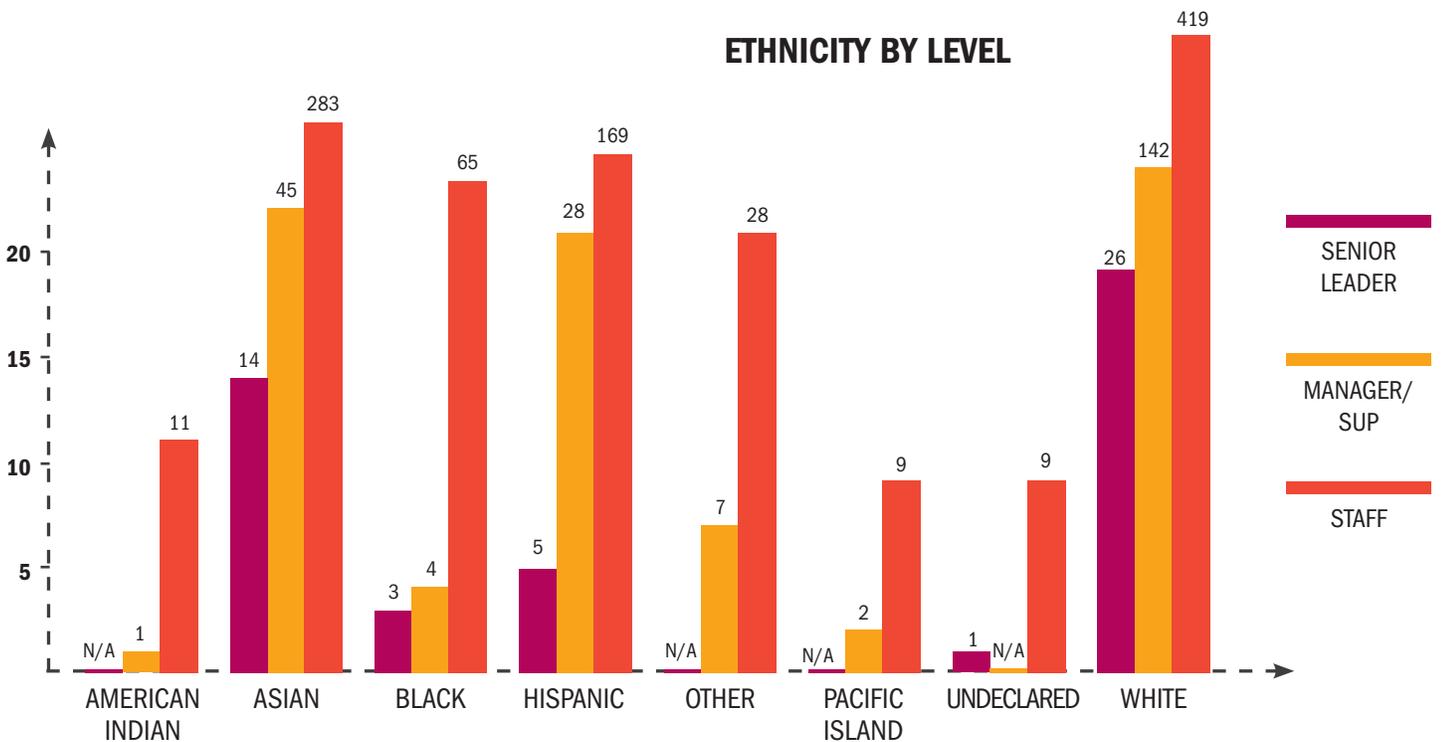
Ethnicity

The 2017 to 2022 five-year comparison did not yield much change in the ethnic makeup of CalSTRS. By race, staff who identify as White made up the majority of the CalSTRS workforce at 46.18%, which is slightly less than the 47.50% in 2017. People who identify as Black constitute 5.66%, which is also lower than the 7.34% in 2017 and aligns with California population at 5.79%. Staff who identify as Asian constitute 26.91%. A slight rise from the 24.53% who identified as Asian in 2017. Staff who identify as American Indians, Hispanics, and Other Pacific Islanders collectively accounted for 17.70%, which is relatively the same as the collective 17.95% in 2017.

CALSTRS ETHNICITY VS. STATE POPULATION & CIVIL SERVICE WORKFORCE



ETHNICITY BY LEVEL

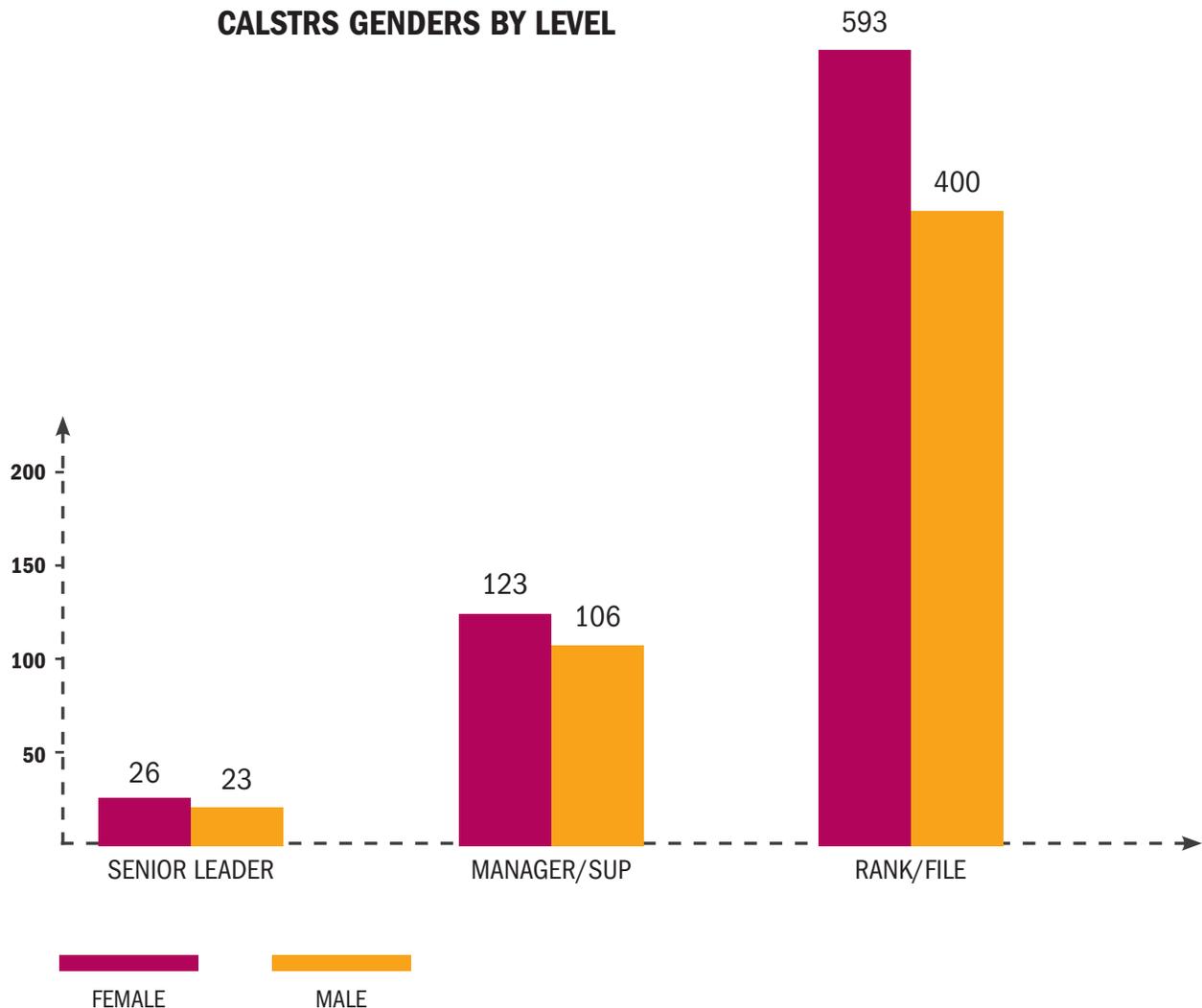


Gender

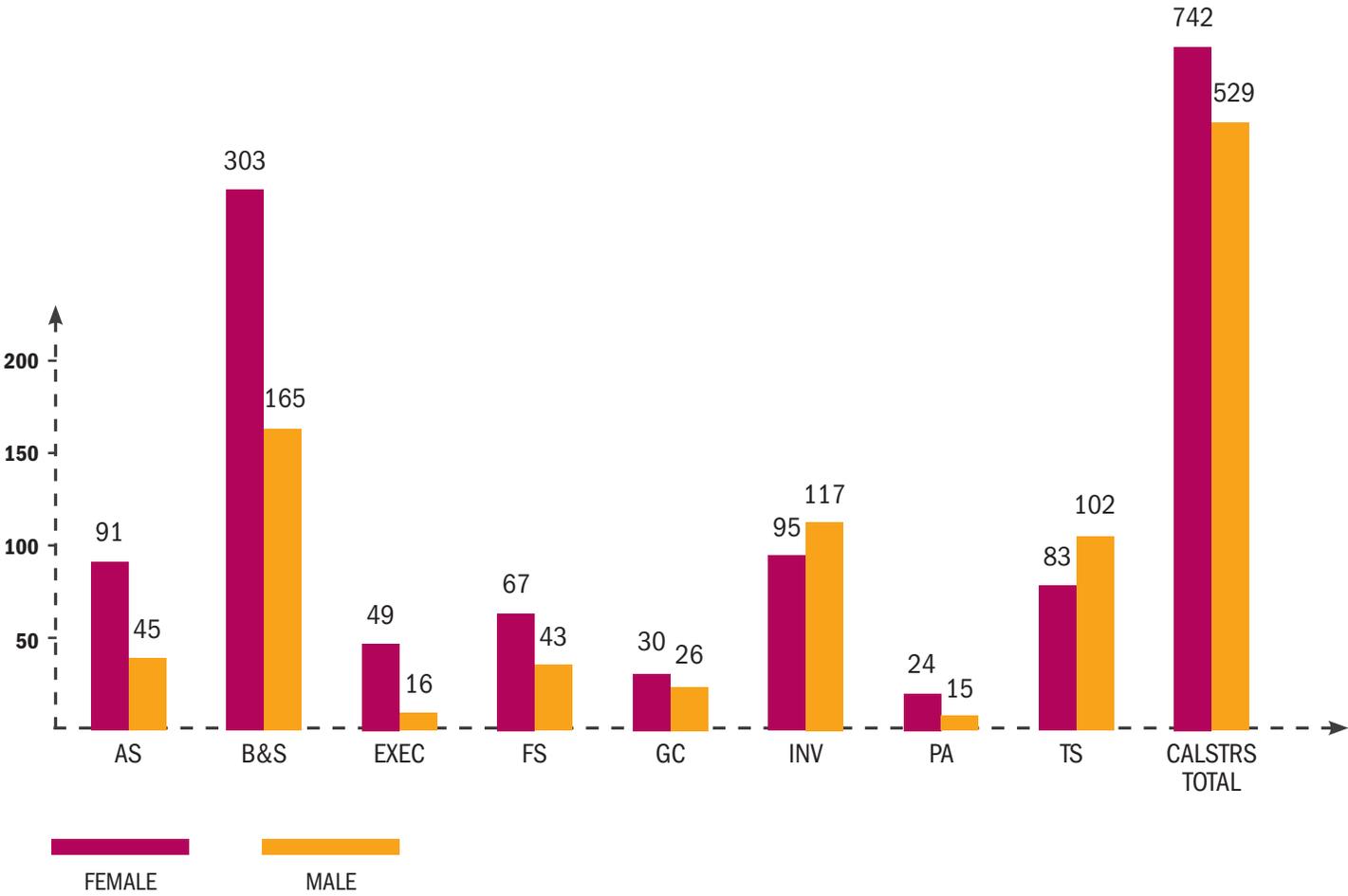
Based on the data from December 2021 there are more females than males at CalSTRS. CalSTRS has a ratio of 58.4% females to 41.6% males, while the CalSTRS' members reflect a 73% to 27% ratio of female to male. Gender data for the greater state civil service workforce shows that the State of California employs 53.8% male and 46.2% female. No staff at

CalSTRS have self-identified as non-binary gender as of December 2021.

As you can see in the second chart, Technology Services and Investments are the only two branches with a higher male representation. Conversely, Benefits & Services, Administrative Services and the Executive Branch are heavily weighted toward female employees. Additionally, our leadership group has 53.6% female and 46.4% males.



CALSTRS GENDERS BY BRANCH AND ORG.



WORKFORCE GAP ANALYSIS

Future Workforce Profile

As CalSTRS looks to compete in the labor market, it is essential to track to trends in skills needed for our future workforce.

Like many organizations, in March 2020 CalSTRS dramatically shifted our workforce to a remote work-from-home model as a response to the COVID-19 pandemic. In April 2022 we transitioned to a blended remote/in-office work environment. As part of the new normal, CalSTRS will continue to focus on improving this blended work environment.

One area of focus will be changes in technology needs. In order to support the organization in meeting its strategic goals a review of the way in which CalSTRS does business must be conducted, and technology solutions interjected. Technology and organizational changes require new skillsets, flexibility, and resiliency. To meet the demands of our current and future workforce, CalSTRS should look at shifting its hiring focus to seek out and access these competencies within the recruitment and selection process.

Technological, demographic, and socio-economic impacts will transform our workforce and skill requirements resulting in potentially substantial challenges for training, managing, and retaining talent. As part of our approach, CalSTRS will need to ensure strong change management principles are employed to aid in the adoption of new tools and practices as they are implemented. Additionally, a focus on diversity, equity and inclusion will be imperative in engaging and retaining a diverse workforce ensuring our employees have the flexibility to make both work and home life successful.

Workforce Gaps and Risks – By the Numbers

In the previous CalSTRS Workforce Plan, it was estimated that CalSTRS would need to make at least 632 hires to maintain necessary staffing levels over a five-year period. The actual number of hires made during the 2018-2022 period was 635.

Based on our attrition over the past five years, and our anticipated growth over the next five years, the estimated minimum number of staff CalSTRS will need to hire in the coming five-year period is 797. In order to better focus the expected number of positions needed over the next five years, we utilized the most recent filled and vacant position data as of 4/1/2022 to complete the gap analysis.

5 YEAR WORKFORCE GAP ANALYSIS: CALSTRS		
Filled Positions (as of 4/1/2022)	1262	
Authorized Positions (FY22/23 - 25/26)	116	
Vacancies (as of 4/1/2022)	137	+
Total # of Staff Required (Demand)	1515	
Projected 5 Year Turnover		
Filled Positions (as of 4/1/2022)	1262	
Projected 5 Year Turnover	544	—
Total Projected Internal Supply	718	
Total # of Staff Required		
Total # of Staff Required	1515	
Total Projected Internal Supply		
Total Projected Internal Supply	718	—
Total Gap in Staffing due to Turnover		
Total Gap in Staffing due to Turnover	797	

CALSTRS has 1262 filled positions, 116 new positions to be added between fiscal years 2022-23 and 2025-26, 137 vacancies and expected turnover of 544 people over the next five years.

It is anticipated that CalSTRS will need to make at least 797 hires over the next five years.

LEGEND:

Filled Positions: A point-in-time number of filled positions for a baseline starting point

Authorized Positions: New budgeted positions approved by the Teacher's Retirement Board, to be added over 5 years (2022/23 through 2025/26)

Vacancies: A point-in-time number of vacant positions for a baseline starting point

Total # of Staff Required (Demand): The number of people the organization will need to be fully staffed over the next five years

Projected 5 Year Turnover: Anticipated attrition over the next five years, based on the actual attrition from the past five years (FY2017/18 through Q3 of 2021/22)

Total Projected Internal Supply: The anticipated number of employees remaining with the organization over the next five years, after accounting for attrition

Total Gap in Staffing due to Turnover: The difference between the number of employees required to be fully staffed (demand) and the anticipated number of employees remaining with the organization over the next five years, after accounting for expected turnover (supply)

5 YEAR WORKFORCE GAP ANALYSIS: ADMINISTRATIVE SERVICES		
Filled Positions (as of 4/1/2022)	136	
Authorized Positions (FY22/23 - 25/26)	10	
Vacancies (as of 4/1/2022)	18	+
Total # of Staff Required (Demand)	164	
Filled Positions (as of 4/1/2022)	136	
Projected 5 Year Turnover	78	—
Total Projected Internal Supply	58	
Total # of Staff Required	164	
Total Projected Internal Supply	58	—
Total Gap in Staffing due to Turnover	106	

The **ADMINISTRATIVE SERVICES BRANCH** has 136 filled positions, 10 new positions to be added between fiscal years 2022-23 and 2025-26, 18 vacancies and expected turnover of 78 people over the next five years.

It is anticipated that the Administrative Services Branch will need to make at least 106 hires over the next five years.

5 YEAR WORKFORCE GAP ANALYSIS: BENEFITS & SERVICES		
Filled Positions (as of 4/1/2022)	466	
Authorized Positions (FY22/23 - 25/26)	20	
Vacancies (as of 4/1/2022)	28	+
Total # of Staff Required (Demand)	514	
Filled Positions (as of 4/1/2022)	466	
Projected 5 Year Turnover	233	—
Total Projected Internal Supply	233	
Total # of Staff Required	514	
Total Projected Internal Supply	233	—
Total Gap in Staffing due to Turnover	281	

The **BENEFITS & SERVICES BRANCH** has 466 filled positions, 20 new positions to be added between fiscal years 2022-23 and 2025-26, 28 vacancies and expected turnover of 233 people over the next five years.

It is anticipated that the Benefits & Services Branch will need to make at least 281 hires over the next five years.

5 YEAR WORKFORCE GAP ANALYSIS: EXECUTIVE		
Filled Positions (as of 4/1/2022)	64	
Authorized Positions (FY22/23 - 25/26)	1	
Vacancies (as of 4/1/2022)	9	+
Total # of Staff Required (Demand)	74	
Projected Turnover		
Filled Positions (as of 4/1/2022)	64	
Projected 5 Year Turnover	30	—
Total Projected Internal Supply	34	
Total Staffing Requirements		
Total # of Staff Required	74	
Total Projected Internal Supply	34	—
Total Gap in Staffing due to Turnover	40	

The **EXECUTIVE BRANCH** has 64 filled positions, 9 vacancies and expected turnover of 30 people over the next five years.

It is anticipated that the Executive Branch will need to make at least 40 hires over the next five years.

5 YEAR WORKFORCE GAP ANALYSIS: FINANCIAL SERVICES		
Filled Positions (as of 4/1/2022)	111	
Authorized Positions (FY22/23 - 25/26)	8	
Vacancies (as of 4/1/2022)	9	+
Total # of Staff Required (Demand)	128	
Projected Turnover		
Filled Positions (as of 4/1/2022)	111	
Projected 5 Year Turnover	49	—
Total Projected Internal Supply	62	
Total Staffing Requirements		
Total # of Staff Required	128	
Total Projected Internal Supply	62	—
Total Gap in Staffing due to Turnover	66	

The **FINANCIAL SERVICES BRANCH** has 111 filled positions, 8 new positions to be added between fiscal years 2022-23 and 2025-26, 9 vacancies and expected turnover of 49 people over the next five years.

It is anticipated that the Financial Services Branch will need to make at least 66 hires over the next five years.

5 YEAR WORKFORCE GAP ANALYSIS: GENERAL COUNSEL		
Filled Positions (as of 4/1/2022)	56	
Authorized Positions (FY22/23 - 25/26)	5	
Vacancies (as of 4/1/2022)	6	+
Total # of Staff Required (Demand)	67	
Filled Positions (as of 4/1/2022)	56	
Projected 5 Year Turnover	23	—
Total Projected Internal Supply	33	
Total # of Staff Required	67	
Total Projected Internal Supply	33	—
Total Gap in Staffing due to Turnover	34	

The **GENERAL COUNSEL BRANCH** has 56 filled positions, 5 new positions to be added between fiscal years 2022-23 and 2025-26, 6 vacancies and expected turnover of 23 people over the next five years.

It is anticipated that the General Counsel Branch will need to make at least 34 hires over the next five years.

5 YEAR WORKFORCE GAP ANALYSIS: INVESTMENTS		
Filled Positions (as of 4/1/2022)	212	
Authorized Positions (FY22/23 - 25/26)	70	
Vacancies (as of 4/1/2022)	37	+
Total # of Staff Required (Demand)	319	
Filled Positions (as of 4/1/2022)	212	
Projected 5 Year Turnover	57	—
Total Projected Internal Supply	155	
Total # of Staff Required	319	
Total Projected Internal Supply	155	—
Total Gap in Staffing due to Turnover	164	

The **INVESTMENTS BRANCH** has 212 filled positions, 70 new positions to be added between fiscal years 2022-23 and 2025-26, 37 vacancies and expected turnover of 57 people over the next five years.

It is anticipated that the Investments Branch will need to make at least 164 hires over the next five years.

5 YEAR WORKFORCE GAP ANALYSIS: PUBLIC AFFAIRS		
Filled Positions (as of 4/1/2022)	35	
Authorized Positions (FY22/23 - 25/26)	0	
Vacancies (as of 4/1/2022)	5	+
Total # of Staff Required (Demand)	40	
Filled Positions (as of 4/1/2022)	35	
Projected 5 Year Turnover	17	—
Total Projected Internal Supply	18	
Total # of Staff Required	40	
Total Projected Internal Supply	18	—
Total Gap in Staffing due to Turnover	22	

The **PUBLIC AFFAIRS BRANCH** has 35 filled positions, 0 vacancies and expected turnover of 17 people over the next five years.

It is anticipated that the Public Affairs Branch will need to make at least 22 hires over the next five years.

5 YEAR WORKFORCE GAP ANALYSIS: TECHNOLOGY SERVICES		
Filled Positions (as of 4/1/2022)	182	
Authorized Positions (FY22/23 - 25/26)	2	
Vacancies (as of 4/1/2022)	25	+
Total # of Staff Required (Demand)	209	
Filled Positions (as of 4/1/2022)	182	
Projected 5 Year Turnover	57	—
Total Projected Internal Supply	125	
Total # of Staff Required	209	
Total Projected Internal Supply	125	—
Total Gap in Staffing due to Turnover	84	

The **TECHNOLOGY SERVICES BRANCH** has 182 filled positions, 25 vacancies and expected turnover of 57 people over the next five years.

It is anticipated that the Technology Services Branch will need to make at least 84 hires over the next five years.

WORKFORCE GAPS AND RISKS – BY WORKFORCE STRATEGY

The implications detailed in this section consider multiple feedback mechanisms, such as All-Staff Engagement and Satisfaction Surveys, Onboarding Surveys, Exit Surveys and Interviews, and the Diversity and Inclusion Survey; and considerable research into workforce and industry trends impacting the current world of work.

Leadership Competencies:

In addition to the numerical gap analysis, CalSTRS has been tracking year-over-year ratings from Annual Performance Reviews (APR) in an effort to identify competency gaps within the organization. Over the past several years CalSTRS completed a refresh of all APRs, including the staff, leadership, and investment professional APR forms to better align to organizational needs. The effort resulted in updated competency groupings that are easily connected through each classification family group. An analysis of our most recent leadership APRs identified that our leaders are rated as consistently meeting expectations, with opportunity for improvement in the following competency groupings: Strategic Thinking and Implementation, Knowledge and Organizational Awareness, and Communications and Relationship Development.

Communications and Strategic Thinking were identified within the last Workforce Plan as an area of competency focus. Several efforts have been made to bridge the competency gap and over the next years we will implement additional strategies to strengthen these areas to mitigate downstream risks.

Retention:

Managing for employee retention involves strategic actions to keep employees motivated and focused so they elect to remain employed and productive at CalSTRS. It is more efficient to retain a quality employee than to recruit, train, and orient a replacement employee of the same quality. A critical issue that CalSTRS faces is how to retain employees. We must anticipate impending shortages of overall talent as well as a shortfall of employees with the specialized competencies we need. We need to systematically manage employee retention—both in good times and in bad—in order to stand a greater chance of weathering such shortages.

Updated research has revealed that employees mainly leave their jobs due to a lack of career development, employee

recognition, job satisfaction, their managers, and career growth opportunities. Because of this, we can conclude that employees value upward mobility in their job. If we fail to provide the same, we stand the risk of losing employees.

After 2020, many organizations have implemented remote work and flexible scheduling options. Although CalSTRS has implemented a blended working environment, more employees could look to leave in pursuit of full-time remote work opportunities. Moving forward, we will need to continue to explore the use of various blended schedules to leverage this new flexibility to our advantage. The work environment we should continue to build upon should create a welcoming place to work that supports a work life balance.

In an age where employee tenure appears to be dropping and loyalty shifting, focusing on our employees' growth and development can go a long way in helping CalSTRS move forward. Ensuring we hire the right candidates, working hard to retain the top-performing employees, and continually focusing on development opportunities can all help with retaining our great workforce.

Recruitment:

Attracting and retaining top talent is important to achieving our mission. A well-organized recruitment and selection process ensures we hire individuals who contribute to the CalSTRS' vision and strategic goals. The last few years saw constant change in the Talent Acquisition landscape. To this end, the Talent Acquisition team has been working to enhance the support they provide in outreach, candidate sourcing, recruitment, interview support, and selection.

The Talent Acquisition team has done an amazing job implementing the use of the LinkedIn Recruiter platform to conduct outreach and establish our employer brand in the social platform space. When candidates consider organizations to join, they look to see the culture of the organization and how they may contribute. It will be imperative that CalSTRS continues to identify ways to convey the culture and inclusive workforce into recruitment efforts.

Additionally, during recruitment, we have an opportunity to make a strong first impression on potential candidates. A poor candidate experience impacts CalSTRS reputation and

ability to attract future candidates. During the recruitment and outreach phases and especially for those first impressions, presenting our worthy employer brand and managing the candidate experience is crucial. Talent Acquisition has worked at creating job advertisements that are enticing and supporting job applicants and CalSTRS leaders through the selection process. Talent Acquisition has developed a variety of trainings and tools to ensure leaders fairly and effectively screen applicants and go through the interview process; ultimately resulting in successful hires of qualified candidates.

Another challenge that the Talent Acquisition team faces is in regard to salary competition, particularly in niche areas. Improving outreach and state benefits awareness could help new-to-state candidates when weighing their career options. Educating all our candidates on the benefits of state employment and variety of work opportunities at CalSTRS could make a positive impact on our candidate pools.

In the past several years we have made strides in enhancing the candidate experience that includes implementing best practices in recruitment and selection. The success of our organization's positive changes in the recruitment process is evidenced by a reduction in the time it takes to fill vacancies, and in increased quality of hires based on a reduction in involuntary turnover.

VACANCY RATES:	INVOLUNTARY TURNOVER:
20/21 - 6.62%	20/21 - 0.48%
19/20 - 9.58%	19/20 - 0.66%
18/19 - 6.42%	18/19 - 0.82%

Although the time to fill and vacancy rate has stayed stable through the pandemic, we anticipate challenges in this area as the labor market becomes tight and organizations find their new normal transitioning out of the pandemic. As we move forward, Talent Acquisition will continue to look for innovative ways to find the best talent for CalSTRS.

Succession planning:

A key facet of succession planning is the process of identifying the critical positions within CalSTRS and developing action plans for mitigating the risks associated with them. This typically involves knowledge transfer and recruitment planning, and development of down-line staff.

The first step in Mission Critical Position Management is to identify critical roles, then analyze and identify what development is needed for our talent pools. Next, we identify the appropriate succession management strategies such as knowledge transfer or stretch assignments for down-line staff, followed by implementing such strategies. Finally, annual monitoring and adjustment to meet business and organizational needs.

Position profile forms have been established for all Mission Critical positions, which enable us to track current incumbent flight risk, desirable qualifications beyond minimum, key characteristics necessary for success, and action plans with succession strategies tailored to the role and business area's needs. If we fail to adequately implement these action plans, we risk being unable to fulfill our mission due to functional disruptions and interruptions to business continuity.

Although our Mission Critical Position Management effort is focused on key positions in the organization, succession management for these positions includes program resources and development opportunities to support the growth of our internal talent at all levels of the organization. Comprehensive talent management for mission critical positions includes skills identification, recruitment and succession planning, and regular evaluation of available talent pools.

Recurrent assessment and planning for mission critical positions mitigates organizational risks due to vacancies, limits disruption to business continuity, and provides opportunities for cross functional development and movement. Taking a holistic view of current and future goals ensures that we have the right people in the right jobs today and in the years to come.

INITIATIVES AND KEY ACTIVITIES

Initiative <i>How can we bridge the gap between current and future outlook?</i>	Key Activities <i>What steps do you need to take to meet the initiative?</i>	Deadline <i>When will it be completed?</i>	Proposed Performance Indicators <i>How will we know we achieved our goal and what will success look like?</i>
<p>Assess and expand DE&I effort</p>	<ol style="list-style-type: none"> 1. Begin in 2022-23 Conduct an assessment and create a roadmap of consultant-recommended actions. 2. Begin in 2023-24 Review and update policies to incorporate diversity, equity, and inclusion. 3. Begin in 2024-25 Establish success measures. 4. Begin in 2024-25 Identify roles and responsibilities in support of the program effort. 5. Begin in 2024-25 Build a process for regular reassessment of program effort goals and accomplishments. 6. Begin in 2024-25 Identify best practice benchmarks and create benchmarks for success, including management participation and support. 	<p>FY 22-23 through FY 24-25</p>	<ol style="list-style-type: none"> 1. After onboarding consultant, D&I Specialist will work with them to administer their proposed assessment actions. 2. Policies and other procedures in HR and other business areas are updated – incorporating DEI best practices. 3. List of success measures and actions are established. 4. Roles and responsibilities that support the DEI effort are established. 5. DEI assessment goals are established and approved. 6. Roadmap for future is created and approved by management support.

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<p>Assess, refresh, and educate CalSTRS workforce on critical HR functions</p>	<p>Revamping the leave training that Shaw does for Reasonable Accommodations (RA) and Leaves of Absences (LOA) for leaders</p> <p>Assess selection process training opportunities</p> <p>HR Liaison Training</p> <p>HR Link training</p> <p>Telework training (CBT)</p> <p>Recognition training (In-person or CBT) for leaders and/or staff</p>	<p>Telework, Recognition, and HR link (FY 23-24)</p>	<p>Training content and materials will align with our processes. In addition, through these trainings, our workforce will be supported in these complex areas to ensure alignment with applicable rules, regulations, and laws, and they will be able to navigate the services provided by HR and manage their own benefit, telework agreements, and general human resources needs.</p>
<p>Develop tools to educate and influence job applicants</p>	<p>Create Benefits document to inform candidates of employee benefits - in progress</p> <p>Partner with communications on Careers site (.com) and social media branding - in progress</p>	<p>FY 23-24</p> <p>Ongoing</p>	<p>Provide benefit documentation to new employees.</p> <p>Increase clicks to Careers site (Communications to provide data).</p>
<p>Assess selection tools and templates to support program areas and ensure consistent candidate experience</p>	<p>Develop tools or templates (e.g., email template for liaisons to schedule interviews, interview talking points)</p>	<p>2025</p>	<p>Consistency in candidate experience and selection process amongst CalSTRS branches.</p> <p>Update - (Toolkit, outcomes, etc.)</p>

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Assess and solidify Career Services and workforce offerings	Establish and implement KPI for the program Develop and host Career Focused Offerings. Develop L2 or L3 surveys	FY 22-23 Ongoing	Positive feedback from participant surveys. Internal movement, promotion rates, and performance reviews.
21st Century Skills, specifically “Digital Fluency,” to address the “digital divide”	Research best practice training processes and tools to support the hybrid work model Address digital skill gaps by leveraging LinkedIn Learning Library in HR Link Utilize HR Link to streamline current processes & reduce task complexity	Ongoing FY 23-24 FY 22-23	Solidified processes for hybrid work model Participant surveys, level 2 & 3 evaluations Reduction in time to complete task by staff and end users
Assessment of Wellness procedures activities and enhancements to support the transition to a blended workforce	Research, implement and evaluate program adjustments and enhancements	Ongoing, FY 24-25	Participation, potential surveys, and feedback
Assessment of workforce Onboarding activities and enhancements to support the transition to a blended workforce	Research, implement and evaluate program adjustments and enhancements	Ongoing, FY 24-25	Feedback from employees, managers, ambassadors, and business areas
Assessment of Recognition activities and enhancements to support the transition to a blended workforce	Research, implement and evaluate program adjustments and enhancements	Ongoing, FY 24-25	Participation, potential surveys, and feedback

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Develop and implement tools to support a blended workforce and candidate experience.	Implement the Performance & Goals module in the SAP SuccessFactors Human Capital Management (HCM) suite	FY 22-23 - FY 23-24	The module will be live and available to end-users. Success will be measured by end-user engagement.
	Implement the HR Analytics and Workforce Planning module in the SAP SuccessFactors Human Capital Management (HCM) suite.	FY 22-23 - FY 23-24	The module will be live and available to end-users. Success will be measured by end-user engagement.
	Implement the Onboarding module in the SAP SuccessFactors Human Capital Management (HCM) suite	FY 22-23 - FY 23-24	The module will be live and available to end-users. Success will be measured by end-user engagement.
	Implement the Succession & Development module in the SAP SuccessFactors Human Capital Management (HCM) suite	FY 24-25	The module will be live and available to end-users. Success will be measured by end-user engagement.
	Configure enhancements to Employee Central, CalSTRS Employee Record and Position Mgmt. tool	FY 22-23	All planned enhancements have been configured in the stage and production environments. Functionality is working as expected.
	Explore the marketplace to identify a Time & Attendance solution that meets CalSTRS leave reporting requirements	FY 24-25	A solution will be selected against the documented requirements. The solution selected is configured and meets documented requirements.

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	Procure Time and Attendance solution and implementation vendor.	FY 24-25 - FY 25-26	Software licenses are procured, and a vendor is selected for implementation services.
	Implement a Time & Attendance solution for leave reporting	FY 24-25 - FY 25-26	The solution selected is configured and meets documented requirements.
	Automation of Candidate Background Investigation Process	FY 22-23	Efficient, paperless process is one that makes the hiring process more efficient for both HR and candidates.
Align and implement CalSTRS Telework program with Statewide policy.	Policy Revision/Implemented Establish Central Program Page Implement Formal Telework Agreement Collect and Report required metrics	FY 22-23	When employees understand how their individual work links to company strategy, they are more satisfied with their work and become more effective.
	Assess program and implement improvements.	FY 23-24 - FY 24-25	Quicker decisions and reduced time to execution.
Refresh of competency guide	Meet with focus groups to reassess the class family competencies.	FY 22-23 - FY 23-24	Will have met and verified the accuracy of the current competency model. Adjustments made to capture the current business environment and the needed skills

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Assess and track skill/competency gaps	Utilize APR data to determine and track skill/competency gaps	FY 23-24	Skill/competency gaps are determined, and list is created for tracking purposes
Plan and assist with closing skill/competency gaps	Work with HR SMEs and business areas to determine best ways to close skill/competency gaps	FY 24-25	Skill/competency gaps are closed, and procedures are in place that ensure that processes consistently deliver what is expected
Incorporate structural and behavioral DE&I strategies into leadership development programs and processes	Partner with DE&I for awareness and adoption of strategies Assess gaps in leadership development related to DE&I strategy Reassess and update leadership development processes and content to align with updated CalSTRS DE&I strategy as it evolves over time	This initiative is dependent upon CalSTRS DE&I enterprise initiative and will align with activities in the new DE&I plan for the organization.	Gaps in leadership development program have been assessed Leadership Development Programs updated to address gaps discovered from the assessments
Establish a leadership advisory group in CalSTRS to incorporate a 360 view into leadership programs and processes for the greatest benefit of leaders	Setup the structure and process of the Leadership advisory group Recruit the correct people to participate Pilot a session to see what will work best Launch for two quarters to see if it is beneficial and work time investment for all Assess outcomes	Sept-Dec 2022 set up structure and process. Jan-March 2023 recruit and Pilot a session April 2023 Launch leadership Advisory Group 2024 Access outcomes and value. Go/no go	Pilot of the Leadership Advisory Group has been launched with participants Pilot assessment complete Leadership Advisory Group in place and operational

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Create a leadership coaching program to support development and career goals	Research coaching structures and best practices Assess and recommend a sustainable coaching structure for leaders Pilot a leadership coaching program.	Jul-Dec 2022 Research coaching structures and best practices for an internal coaching program. Design the components of the coaching program Jan-Jun 2023 Recommend a sustainable framework for internal coaching in CalSTRS September 2022-Jun 2023 – Select and certify internal resources to coach within CalSTRS	Completed research for building an internal coaching system model The components of the coaching implementation plan are designed and approved X internal resources have been certified to provide internal coaching Pilot coaching program has been launched with participants
		July 2023-Feb 2024 Implement a pilot coaching program for new leaders By June 2024 Sustainable coaching program in place	Pilot coaching program assessment completed Internal coaching program in place and operational in CalSTRS
	Training for leaders and employees on the My Development Journey which would help with the engagement, development, performance, and recognition of all CalSTRS employees	FY 24-25	Through this training, our workforce will be supported and able to navigate the tools available to them and services provided by HR which will increase employee engagement, development, performance, and recognition.

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Introduce design thinking tools and practices to support leadership innovation and change mindset	Research design thinking tools Introduce design thinking tools Pilot design thinking tools into workshops for leaders.	July 2023 begins Launch pilot in 2024.	Leaders have awareness of Design thinking practices and are able to incorporate innovation tools into their leadership practices Innovation mindset increases in the organization and is thought of outside of technology.
Peer Learning Groups For specialists	Assess the Peer Learning Group Program for specialists Make recommendations for changes or a go/no go decision for the program to move forward.	Assess at midpoint in program Oct 2022 Assess at end of Program April 2023. End of June 2023 go/no go decision.	Engagement satisfaction of specialists increases Specialists consider the program beneficial Specialists agree that CalSTRS is focusing on their growth and development.
Bridging gaps in leadership development related to Human Resource processes (such as: LOA, performance development, selection, etc.) *Topics will be selected based off needs analysis findings	Perform needs analysis to determine process topics and gaps Collaborate with HR Leaders to design, develop and implement solutions	FY 22-23 – Needs analysis, collaboration & design FY 23-24 – Partner w/ HR SMEs for content development FY 24-25 – Launch development offerings based off analysis	Content and materials will align with our processes. Surveys and Interviews will be used to determine if gaps were bridged related to identified process topics and gaps
Refresh and review mission critical activities	Continued maintenance of organizational mission critical program	FY 22-23	Establish and maintain plans for mission critical positions to combat risks associated with mission critical positions

Initiative... Continued <i>How can we bridge the gap between current and future outlook?</i>	Key Activities... Continued <i>What steps do you need to take to meet the initiative?</i>	Deadline... Continued <i>When will it be completed?</i>	Proposed Performance Indicators...Continued <i>How will we know we achieved our goal and what will success look like?</i>
	Checking in regularly with business areas to track action planning/ implementation Manage the succession planning needs for mission critical		
Leadership succession planning	Closing out of HR Pillars project Collecting feedback from Investments Branch pilot	FY 2024-25	Assess the potential of current staff to become future leaders to meet emerging needs.
Refresh of the workforce and succession planning SharePoint	Assess current files on SharePoint Remove any outdated material Redesign the WFP SharePoint site Add any new/relevant items/documents	FY 22-23	Users will be able to quickly and easily navigate the WFP SharePoint site in order to reach their desired outcomes
Build organizational change management program	Research, intake, and design thinking Design framework in alignment with organizational strategy Build network of partnerships across the organization Pilot the framework for feedback and refinement Implement, rollout, evaluate	FY 2024-25	Implementation and sustained use of a framework customized to CalSTRS that supports the organization through enterprise-wide transitions

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Evolve knowledge transfer and transition program site as self-service	Update existing content and design Upload additional resources and tools Pilot self-service site across the organization Add site to Human Resources homepage Reintroduce program to branch leaders as self-service	FY 2022-23	Creation of a newly redesigned Knowledge Transfer and Transition SharePoint site to kick off the rollout of the evolved self-service program
Support knowledge capturing for mission-critical roles	Revise existing templates to align with Workforce Development needs Equip Investment branch leaders with tools and resources as a pilot Empower branches to capture knowledge for mission-critical roles	FY 2023-24	Ongoing support for now; success will be determined at the pace in which support is needed and requested for mission-critical roles through Workforce and Succession Planning
Roll out evolved, self-service knowledge transfer and transition program to the organization	Implement org-wide communications and outreach plan Conduct “know-shows” to preview tools available Evaluate org-wide reach and usage	FY 2024-25	Sustained use of the evolved, self-service knowledge transfer program across the organization

Appendix II – Related Resources

- Strategic Plan
- Business Plan
- Competency Guide
- Competency Bridging Models
- TRAIN
- Training Calendar
 - > Pre-Analyst Academy
 - > Analyst Academy
 - > Lead Person Training
 - > Emerging Leaders Series
 - > Manager Academy
 - > Masters Series
 - > Executive Development Program
- Recognition Program: Virtuosity
- Professional Development Program
- Talent Acquisition
- Outreach
- Diversity and Inclusion
- Career Counseling
- Career Ladders
- Organizational Charts
- Knowledge Transfer & Transition
- Selection Process Guide
- CalSTRS Wiki
- Upward Mobility



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