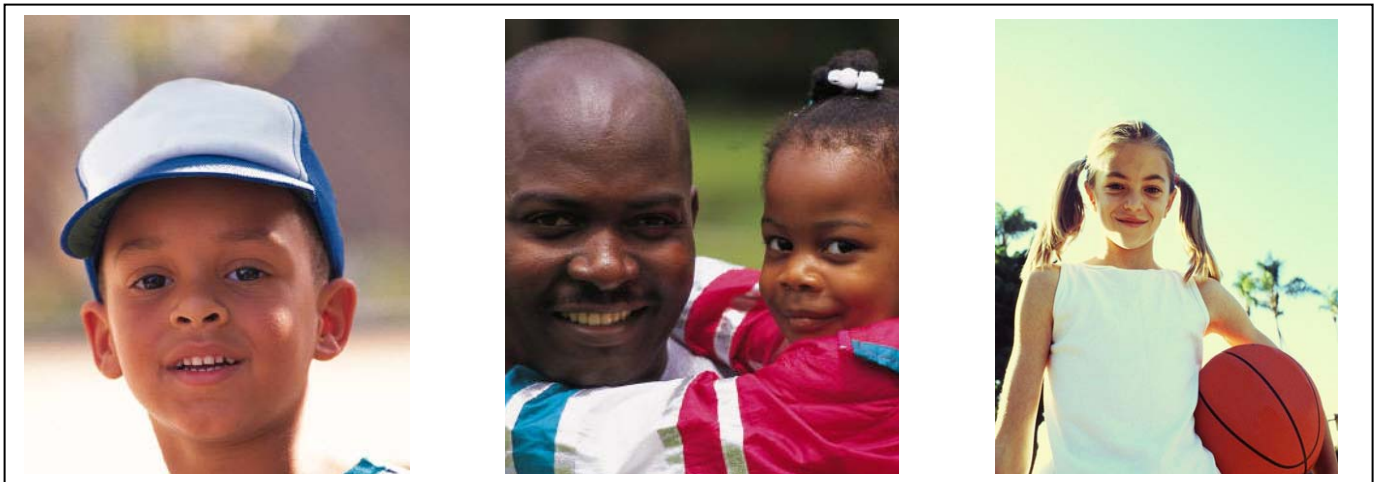


Workforce Planning Overview



October 12, 2006

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Workforce Planning Overview

Introduction

Human services agencies are only as good as the workforce that directly serves children, youth and their families. Yet most observers agree that this workforce has not received adequate attention – workforce issues of crisis proportions challenge human services agencies across the country, including high turnover, shortages of qualified applicants and low morale.

There is a growing awareness of the critical impact the human services workforce has on service delivery and successful client outcomes. We believe that human services agencies, by working with human resources as a strategic partner, can improve their workforce and thereby improve client outcomes.

This strategic partnership between human resources and human services is crucial to:

- Engaging the frontline workforce toward outcome-focused strategies.
- Implementing the agency's strategies and realizing its objectives.

Effective workforce planning must complement and directly support an agency's strategic plan. Strategic planning helps agencies map where they are now, where they need to go, and what they need to do to get there. The workforce plan translates this strategic thinking into human resources action steps to attract, develop and retain the talent the agency needs to achieve its strategic vision. **This is the “people factor” which is critical to success in the public sector overall, but is particularly critical in human services.**

What is Workforce Planning?

At its core, workforce planning is simply:

The process of ensuring that an organization can achieve its mission by having the right people with the right skills in the right places at the right times.

Operationally, workforce planning is a systematic process that identifies the gaps between the workforce the agency has today and the workforce the agency must have tomorrow, to achieve long-term success. Workforce planning also includes the logical next step – identifying how to eliminate these talent gaps and develop the competencies needed for success.

Workforce planning is an accepted management practice used in the private sector as well as at all levels in the public sector.

There is no one-size-fits-all workforce planning model. Many organizations, public and private, have developed their own models for workforce planning. However, all use variations of these basic steps:

1. Analyze the agency's current work, workforce and competencies.
2. Assess the work of the future; identify the workforce and competencies needed to succeed in the work environment of the future.
3. Compare the current ("as is") with the future ("to be") agency to identify gaps in workforce requirements.
4. Develop a plan to eliminate these gaps – to build the workforce needed to achieve long-term success.
5. Implement this plan in a coordinated and integrated way, covering all areas of human resources (e.g., recruitment and selection, training and development, classification and compensation, succession planning).
6. Evaluate the success of workforce planning to ensure the agency is developing the talent it needs.

Of course, workforce planning can't succeed in a vacuum. Like other organizational shifts, planning requires:

- Strong management commitment and leadership
- A clearly articulated organizational mission, vision and strategy
- A thoughtful change management strategy
- Close cooperation among line and staff functions.

For example:

- The budgeting process enables the agency to efficiently devote resources – money and talent – to workforce planning.
- Human Resources (HR) coordinates the planning process and provides tools to project workforce needs and identify competencies critical for success. HR also develops and implements strategies to build the workforce of the future – through recruiting, training and development, compensation, succession planning, etc.
- Line managers use these tools to identify key competencies and develop these competencies in their employees.

Why is Workforce Planning Important?

Workforce planning is important because it creates the roadmap to develop and retain talent. Planning enables agencies to identify the competencies needed in the future and then put in place systems to attract, develop and retain people with these competencies. Workforce planning helps agencies anticipate and plan for change, rather than be surprised and unprepared for it.

Workforce planning is more critical than ever today, to prepare agencies for the workforce crisis that is being created by profound demographic shifts. At the macro level, for example, there are more than 80 million baby boomers in the United States today, accounting for almost 28 percent of our nation's population. As these boomers begin to retire in large numbers, the entire nation will face a workforce crisis because there are only 40 million in the population to replace the baby boomers. This crisis will hit government first because public sector workers are, on average, older than private sector workers. Plus, most public servants can retire earlier than their private sector colleagues. It is anticipated that over one million baby boomer human service workers will be eligible for retirement.

But the workforce challenge is not simply about the overall worker shortage. Many of the baby boomer retirees will be the public sector's most experienced and talented leaders. As these people leave the workforce, agencies will need to retain and transfer their knowledge. To succeed, public sector agencies must build their leadership pipelines now.

Moreover, as the nation's population and workforce increasingly diversify, agencies will need to adapt their cultures, management and HR approaches to this diversity. The agencies that do this in a carefully planned way will succeed in attracting and retaining talent. Those that don't evolve face the very real risk of failing to achieve their mission, and their potential.

In human services, agencies already engaged in organizational change are realizing that their work and their workforces are changing. The available labor pool is shrinking and changing, requiring agencies to understand and adapt to different attitudes, expectations, cultures, and even languages. Human services agencies see these changes in the clients they serve, and this forces human services workers themselves to change. A true organizational restructuring changes everything in an agency. It requires new thinking, new behaviors and a different set of skills. Changing a service system may require a different configuration of staff, different hours, and changes in the way staff performance is evaluated. Compensation changes may be needed to attract and retain a different workforce. Therefore it is important, vital, to assess and address the workforce issues inherent in organizational change.

Just as strategic planning is a management function so is workforce planning. Workforce planning is an integral part of any strategic plan. The Human Resources Department can be of considerable help in workforce planning by providing tools and employee data for the workforce plan. Agencies may also want their human resources staff to be part of their strategic/workforce planning process.

The report, *Building Successful Organizations: A guide to Workforce Planning*¹ describes the link between human resource management and strategic planning. When agencies are contemplating change or are under threat, they must look at their biggest assets and biggest cost of their workforce. In order to ensure that the agency has the talent it needs to change or, if downsizing, that it retains the best talent, the agency will need to understand their workforce in critical detail. That is why workforce planning is a great framework: it provides a systematic process for understanding the workforce at a level of detail that will ensure that decisions are made using the best data, and that these decisions will support the mission, values and direction of the agency.

¹ National Academy of Public Administration, 2000

What's the bottom line? Agencies face a stiff competition for talent, and successful agencies will be those that can attract, develop and retain a skilled and committed workforce. This is particularly true in human services. Workforce planning enables agencies to succeed, by identifying their talent needs – the competencies needed in their workforce – and putting in place systems to attract, develop and retain talent.

Agencies may choose to use the workforce planning model for one specific classification or position, a department or a division of their agency where change is occurring, or they may use the model for their entire agency.

The Benefits of Workforce Planning

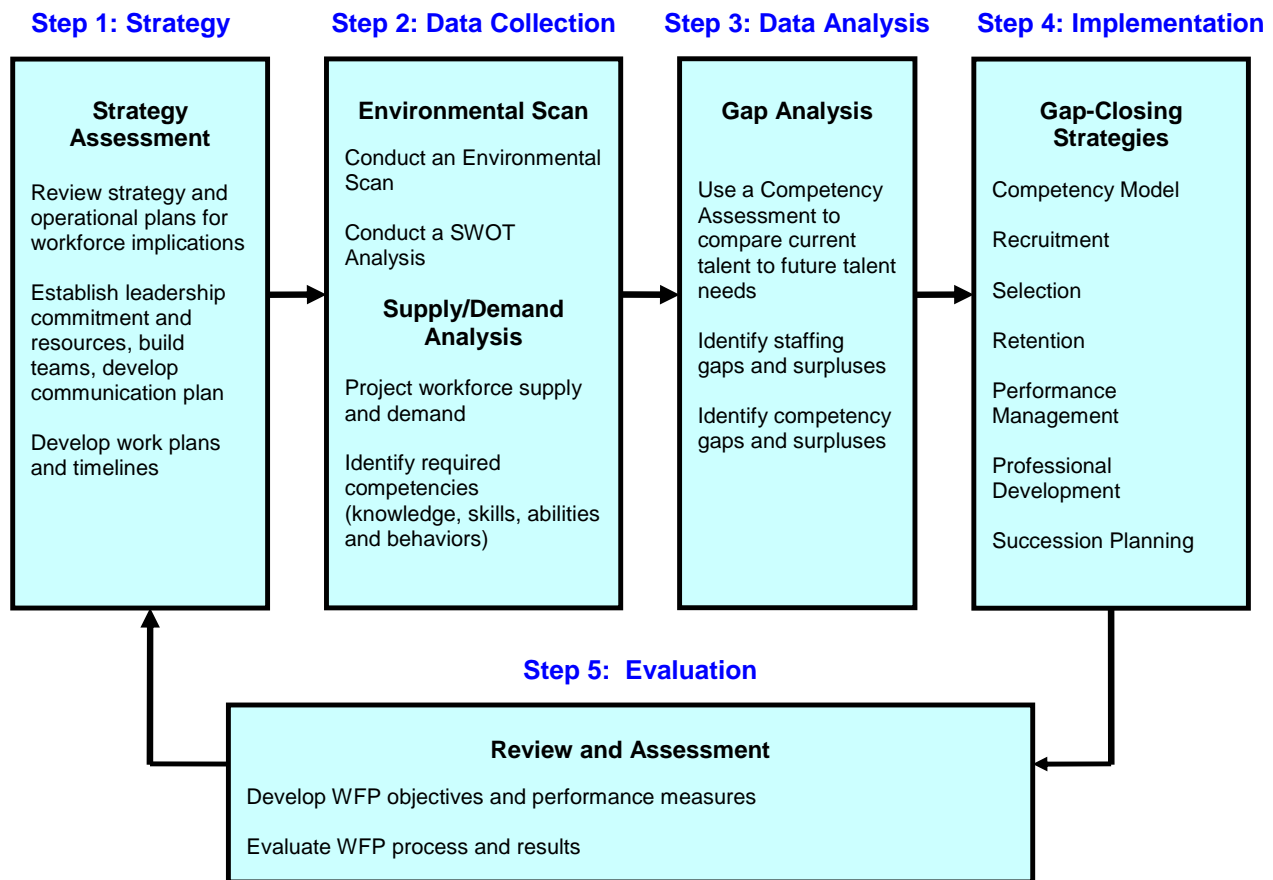
Effective managers need tools to project and shape their future workforces. Workforce planning is a management function tied to strategic planning or to business development plans. Human Resources Departments may assist with planning efforts by providing tools, guidance and data.

Workforce planning:

- Allows managers to identify more effective and efficient ways to use staff. This is critical as agencies are asked to do more with less money and fewer people.
- Helps ensure that replacements are groomed to fill key vacancies. This is especially important as agencies face the dual challenge of more retirements but fewer candidates in the labor market to replace retirees.
- Provides realistic staffing projections for budget purposes.
- Enables managers to forecast turnover and plan recruiting and employee development.
- Ensures that recruitment is focused and effective.
- Identifies ways to maintain or improve diversity not only in the workforce as a whole, but in leadership positions.
- Provides a clear rationale for making investments in recruiting, training, retraining, career development, coaching and mentoring, and performance management.
- Helps prepare for restructuring, reducing, expanding or reforming existing programs.
- Allows managers to identify and prepare for new technology-driven competencies.
- Enables managers to make strategic decisions about programs, budgets and service levels. These decisions are based on understanding the gaps between the competencies currently in the workforce and the competencies needed for the future.

Figure 1 (page 5) shows a workforce planning model that outlines the planning steps:

Figure 1: Workforce Planning Steps



Workforce Planning Steps

The following pages reflect an overview of each of the elements in the workforce planning model in Figure 1 above. Agencies will have varying resources available and will need to develop their workforce plans based on these realities. Under each element are key points to be considered when developing a plan. The level of detail will be dependent on the availability of the data and staff, however each element should be considered when developing a workforce plan. The steps we discuss in this paper may be done sequentially or, in some cases, simultaneously, depending on the agency’s timeline and resources. For example, Environmental Scanning and Supply and Demand Analysis may be conducted at the same time. Gap-Closing Strategies may be done over a three to five year period, again depending on resources.

The Link to Organizational Strategy

Before developing an organizational strategic plan, agencies need a good understanding of their capacity for change, or organizational readiness. Preparing for change is the first step in developing a strategic plan. A collaborative planning process spreads the commitment and allegiance to change, providing better assurance that it will occur.

A strategic workforce plan is a tool that can help engage staff in organizational change. It should include the following:

- A communication plan outlining the change and why it is good for the clients and for the staff, including:
 - Statement of agency's vision for the project.
 - Reinforcement of the values the agency identifies as being critical to the initiative's success, including the agreed-upon goals.
 - Statement of the strategic outcomes the agency envisions from the initiative.
 - Definition of the critical components of the workplan essential to achieve the vision and strategic objectives. (Identify which are workforce-related.)
- Use of focus groups with various levels within the agency to discuss the initiative and to determine the internal and external barriers they see in implementing change.
- Use of an employee attitude survey to take the pulse of the culture and its ability to embrace change.
- Identify the champions within the agency that are trusted internally and that will assist the leadership in promoting change.

Environmental Scanning

Environmental Scanning looks at the internal and external Strengths, Weaknesses, Opportunities and Threats (SWOT) that will affect the short-term and long-term goals of the agency.

External Factors External data that an agency would look at to conduct SWOT analyses are:

- Colleges' and educational institutions' enrollments and specialties.
- Changing composition of the workforce and shifting work patterns including demographics, diversity and outsourcing.
- Government influences – policies, laws and regulations affecting the work and workforce.
- Economic conditions that affect available and qualified labor pools, i.e., unemployment rates, inflation rates and interest rates.

- Geographic and competitive conditions, i.e. turnover data, secondary and post-secondary school enrollments, enrollments in curricula needed to support organizational change.

Internal Factors While it is important to identify threats and attractive opportunities in the external environment, it is even more critical to ensure that people and competencies are in place to meet those threats and take advantage of those opportunities. Identify internal strengths and weakness in light of the philosophy and culture of the agency.

Internal data that agencies would look at to conduct a SWOT analysis are:

- Identify the current workforce skills, looking at education, language skills and competencies for successful performance.
- Identify retirement eligibility projections and patterns for key positions in the agency, specifically to determine where the agency is the most vulnerable to a wave of retirements and a loss of knowledge and the need for succession planning.
- Determine the demographic profiles of current employees, age, race, sex, etc., to determine the diversity of the workforce and areas for improvement.
- Determine the current state of the agency's union relations – is there a partnership relationship? If not, what will it take to develop a relationship that will support organizational change?
- Assess the organizational climate. Is the staff feeling supported and nurtured or are they feeling overwhelmed and burnt out or somewhere in-between? This assessment will help the agency understand where they need to begin in implementing change.
- Track turnover data to determine the amount of turnover in the agency, the types of turnover and reasons staff are leaving the agency to determine the impact turnover is having on the agencies ability to provide service.
- Understand the budget and the impact organizational change will have on salaries and benefits.
- Know the political environment. What might you expect in terms of possible changes in leadership: Governor, Commissioners, Agency Director?

Supply and Demand Analysis

Supply Analysis involves creating a current workforce profile, reviewing trend data, and projecting future workforce supply.

A profile of the existing workforce helps an agency understand where it is in terms of the right number of people with the right skills and competencies. Analysis of the current workforce may include:

- Number of employees (full- and part-time) and contracted workers.
- Competencies and skill sets of current employees.
- Salary and contract workforce expenditure data.

- Workforce diversity (age, gender, race).
- Retirement eligibility statistics.
- Education level of current employees.

Agencies may also look at workforce trend data, which provides a picture of what occurred in the past. Examples of trend data are:

- Hiring patterns (time to fill vacancies, average number of vacancies in a year, etc.).
- Retirement patterns.
- Employee turnover statistics.

Demand Analysis identifies the workforce needed to carry out the mission of an agency. The focus of this step should also be on the functions that an agency must perform and not just on the people needed to carry out the functions. One reason this step is separate from the supply projections is to ensure that changes in functions are considered. These changes might have a significant impact on the size and kind of workforce needed in the future. **This step may provide one of the greatest benefits in workforce planning because it offers the chance for an agency to re-examine long-standing assumptions about the purpose and direction of its programs in light of the changes taking place.** Some possible considerations include:

- How will jobs and workload change as a result of technological advancements, economic, social, and political conditions?
- What will be the future reporting relationships?
- How will divisions, work units and jobs be designed?

After identifying the number and type of workers needed and the workload (the amount and type of work), the next step is to identify the competencies employees will need to carry out that work.

Competencies are a set of characteristics that encompass skills, knowledge, abilities and personal attributes that, taken together, are critical to successful work accomplishment.

This set of competencies provides management and staff with a common understanding of the knowledge, skills and behaviors that are important to the agency. They play a key role in decisions on recruiting, employee development, personal development and performance management.

Gap Analysis

Gap Analysis is a process of identifying the differences between the workforce of today and the workforce that will be needed in the future. These differences may reflect competencies that will be needed in the future to a greater extent than they are present in the current workforce, or completely new competencies. They may identify competencies that are more abundant in the current workforce than in the future workforce.

Gap Analysis is the process of comparing information from the supply and demand analyses to identify the differences, or “gaps,” between the supply of and demand for employees. The expected result is the identification of gaps and surpluses in staffing levels and competencies needed to carry out future functional requirements of the agency.

- A gap (projected supply is less than forecasted demand) indicates a future shortage of needed employees. Critical gaps should be analyzed with care to ensure that timely action is taken before the projected gap becomes a problem.
- A surplus (projected supply is greater than forecasted demand) indicates a future excess in some categories of employees which may also require action. The surpluses may represent occupations or employee skill sets that will no longer be needed in the future, or at least may not be needed to the same degree.

Implementation and Gap-Closing Strategies

The final step in the workforce analysis phase involves the development of strategies to address future gaps and surpluses. There are a wide range of strategies that agencies may use to attract and develop staff with needed competencies and to deal with excesses in competencies no longer needed in the agency.

Listed below are some of the factors that may influence which strategies to use in developing an action plan.

- **Time.** Is there enough time to develop staff internally for anticipated vacancies or new competency needs, or is special, fast-paced recruitment the best approach?
- **Resources.** How likely will the availability of adequate resources influence which strategies are used and to what degree, as well as priorities and timing?
- **Internal depth.** Does existing staff demonstrate the potential or interest to develop new competencies and assume new or modified positions, or is external recruitment needed?
- **“In Demand” competencies.** How high is the competition for the needed future competencies? If competition is high, it may make sense to focus on internal development rather than a recruitment strategy.
- **Workplace and workforce dynamics.** Do particular productivity and retention strategies need to be deployed? This will be influenced by workplace climate (e.g., employee satisfaction levels), workforce age, diversity, and personal needs.
- **Job classifications.** Do the present job classifications and descriptions reflect the future functional requirements and competencies needed?

Functional areas within the agency and/or within Human Resources may also need to change. These include recruitment, selection, retention, succession planning, training, talent management, and organizational assessment. Agencies, depending on their workforce needs, may look at one or more of the following strategies:

- **Recruitment.** Develop a customized recruitment approach for targeted positions, this may include internships, college recruitment, behavior-based interviewing for targeted competencies, streamlining of the recruitment process.
- **Selection.** Develop selection processes that screen for and assess the desired competencies.
- **Retention.** Create an environment that is a satisfying work environment, through flexible schedules, telecommuting, and special projects. Also, it is important that agencies know how employees feel about their work and employer, through employee attitude surveys, town hall meetings, focus groups, etc.
- **Succession planning.** Develop a program where lower-level staff are placed on a development path that will prepare them to smoothly move into jobs with higher-level competency requirements in the future.
- **Training and Development.** Develop training programs for new skills; knowledge needed for new programs, changes, or technological advancements; or retraining programs for staff whose work has changed. Create individual development plans for each employee that addresses their specific training and competency improvement needs.
- **Organizational Assessment.** Ensure that there is executive support for the plan; that resources will be allocated to carry out the strategies developed; that roles and responsibilities are clarified; that a timeline, performance measures, and a communications plan are in place.

Many agencies implementing organizational change may not implement all of the steps we have outlined in our workforce planning model. Agencies may tackle workforce issues as they arise and develop individual solutions for each issue.

Implementation brings the workforce plan to life. The workforce plan may be a single plan that links all of the various strategies, or individual action plans for each strategy. The workforce plan should be implemented in connection with the agency's strategic plan. Some agencies have a workforce planning committee that includes all levels of the agency that is tasked with implementing the plan. Including frontline workers in the implementation and communication of the plan will help with employee support and buy-in. The following factors will help guide implementation activities:

- Draw a direct link between the workforce plan and the agency's strategic mission.
- Designate an "Executive Champion" to work with Human Resources and the planning committee to solidify commitment.
- Involve key stakeholders in the process – Human Resources, strategic planning, Finance, IT, line management and the union.
- Integrate the plan with other human resources programs, e.g., succession planning, organizational development and career development.
- Determine the scope of the project up front. Start with a pilot in one department, or key targeted positions and build processes through lessons learned.
- Assign a dedicated staff person to the project.
- Develop a simple model with tools that can be adapted to the agency's needs.

- Communicate the initiative to all levels of the agency, highlighting the benefits it will bring to the employees as well as to the agency as a whole.
- Hold managers accountable for adhering to and achieving the desired results of the workforce plan.

Evaluation

Performance measures should be identified at the beginning of the process in order to develop a method to validate the workforce plan's milestones. This step will help an agency identify accomplishments and determine which goals have not been met. The agency should prepare annual reports of the workforce plan, using data collection tools, such as customer satisfaction surveys and/or program progress reviews to measure how workforce planning contributes to organizational results. These steps ensure a high level of internal accountability.

Workforce planning requires all agency stakeholders to seriously consider change, and change must be a managed process. It requires a vision of what is to be accomplished and what changes are needed to achieve the vision. Participants must be able to discard personal considerations and visualize the shape of things to come.

Evaluation and adjustments are implicit in workforce planning. The leadership should ensure that a process and schedule are in place to regularly review the plan in order to review performance measurement information, assess what is working and what is not working, make needed adjustments to the plan and strategies, and address new workforce and organizational issues that have occurred since the plan's development.

Agencies that commit to the development of a workforce plan will gain a thorough understanding of their current workforce and will identify the competencies that will move the agency forward. Workforce planning puts the agency "one step ahead," resulting in informed staffing decisions that benefit the agency in both the short term and long term. More importantly, it helps recognize the most effective and efficient use of employees in creating a workforce that is, and will continue to be, flexible and responsive.

Whether an agency uses the entire workforce planning model throughout their organization, or uses the model for one department or position, the process will begin to establish a new way of thinking about the workforce and the importance of considering the impact the workforce has on the success of the agency. Many agencies already conduct pieces of the workforce planning process. They may implement a new recruitment strategy to address a shortage of qualified workers, or they may implement a new performance-management system tied to organizational outcomes in order to focus the agency on specific goals.

Additional Resources

Organization: International Public Management Association for Human Resources
Publication: *Workforce Planning Guide for Public Sector Human Resource Professionals*
Web Address: www.ipma-hr.org

Organization: National Academy of Public Administration
Publication: *Building Successful Organizations: A guide to Strategic Workforce Planning*
Web Address: www.napawash.org/publications.html

Organization: National Association of State Personnel Executives
Publications: *Workforce Planning Web Conference Series Session 1 Getting Started*
Workforce Planning Web Conference Series Session 2, Creating Action Plans for Implementing Workforce Planning
Web Address: www.naspe.net

Organization: State of Georgia
Topic: Strategic Planning and Workforce Planning
Web Address: http://www.spa.ga.gov/agencyservices/retention/wfp_index.asp

Organization: State of New York
Topic: Workforce and Succession Planning
Web Address: www.cs.state.ny.us/successionplanning/

Organization: State of Texas
Topic: Workforce Planning Resource Guide
Web Address: www.hr.state.tx.us/workforce/guide.html

Organization: State of Washington
Topic: Workforce Planning
Web Address: <http://hr.dop.wa.gov/workforceplanning/index.htm>

Organization: US Department of Health and Human Services
Topic: Workforce Planning Resource Guide
Web Address: www.hhs.gov/ohr/workforce/wfpguide.html

Organization: US Office of Personnel Management
Topic: Strategic Alignment and Workforce Planning
Web Address: www.opm.gov/hcaaf_resource_center/3-1.asp