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Attraction and Retention Series

A focus on people and business

Workforce planning toolkit

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Introduction

About This Toolkit

This toolkit has been developed to assist departments and agencies, at both corporate and work unit level, to plan their workforce, make improved strategic and operational workforce-related decisions, and increase their capacity to meet their business outcomes.

This toolkit does not provide an academic, theoretical background to workforce planning. It is highly recommended that readers who have not already studied the theoretical concepts that surround workforce planning take some time to refer to the reading materials provided and recommended in Resource Document 3 - References.

The toolkit provides “tools” or aids that will enable the practitioner to step beyond the theory into the more difficult realm of implementation. The toolkit includes suggestions and hints for both development and implementation of a workforce plan. These suggestions have been offered by practitioners who have engaged in the workforce planning process, have learned lessons along the way, and would like to share their learnings with others.

Four resource documents are included to provide additional information, process models, a framework, reference material and exemplars that may provide a starting point for further development. An additional resource document provides a whole suite of assessment proformas to assist managers with the processes of planning for their workforce.

The important thing to remember as you embark on workforce planning is that the planning process is as important as the plan itself, and that the process must be continuous if the plan is to be congruent with the dynamic environment in which the public sector now operates.

Acknowledgements

The Queensland Public Service (QPS) is fortunate to have a network of human resource practitioners and managers who are interested in workforce planning. The production of this toolkit would not have been possible without the input and experiences of many people across the sector.

Definition – links to business outcomes

The most used, most easily remembered, and most simple definition of workforce planning is “having the right people with the right skills in the right place at the right time”.

The key to the success of a workforce plan lies in the implementation processes that will support the integration of people, processes and systems of change and improvement. It will require the

ongoing commitment to a partnership between management and staff to foster a strategic approach to the management of workforce issues.

Workforce planning is more about developing an understanding of the make-up of the current workforce, the environment in which it works and will work in the future, and necessary skills, capabilities and aptitudes that will be required to achieve business outcomes in an ever changing environment.

Through planning organisations identify where they want to be and how they will meet their business objectives.

Planning includes:

- setting the direction
- determining what will be delivered during the period of the plan
- assessing whether there are sufficient resources to deliver on these outcomes, and
- planning for how the area will measure and report on their success.

The result of planning leads to the production of strategic, business/operational and infrastructure plans.

To ensure that policies and programs are not out of step with the overall strategic direction of the government or the organisation, workforce planning must be integrated with other planning processes, such as strategic and corporate plans, business plans, budget plans, managing diversity plans and equal employment opportunity plans. Whole-of-government priorities, goals, strategies and outcomes must also be considered.

The main questions that influence all workforce planning activity and can only be answered at a strategic level include:

1. What are the whole-of-government priorities and outcomes?
2. What is our organisation's overall strategy/mission?
3. What are the key workforce segment critical to achieving the strategy/mission?
4. What competencies and capabilities do we require in these workforce segments? and
5. What workforce practices and flexibilities are required to achieve the strategy/mission?

For workforce planning to be successful, resources in the form of time, staff and budget will be required. The scope of the project will determine the number of staff/resources needed. However, whatever the level or scope of the project, a dedicated staff member will be needed to manage it. Support at senior executive level is also required to ensure that the planning is consistent with government and organisational priorities.

Purpose of workforce planning

Workforce planning provides managers with a framework for making informed staffing decisions in line with an organisation's mission, strategic plan and budgetary resources. It also provides a means of integrating a range of human resource management strategies, including flexible work practices, succession planning, performance management, staff development, pay equity, performance pay, use of temporary or casual employees, etc.

All organisations, including public sector agencies, are being required to implement a range of human resource strategies, either to comply with legislative or government policies or to attract and maintain a stable and capable workforce.

Workforce planning is a means of integrating and giving meaning to these strategies which, if implemented in isolation, may not produce the expected outcomes and benefits.

Benefits of workforce planning

Workforce planning is not without its challenges nor is it the panacea for all the difficulties encountered in managing human resources, but it is important to keep difficulties in perspective and resolve to manage them. A manager can always make a choice between planning and not planning. Support from managers is more likely to be gained if you can demonstrate the financial benefits of workforce planning.

For example, the strategic use of workforce planning can identify and possibly minimise the hidden costs associated with the ineffective use of human resources across an agency.

In reality, the choice is whether to be systematic in planning or to be swept along by events. Therefore, rather than leave it to chance, arguably it is better to develop a clear understanding of the present situation, consider key future issues and manage the interplay between the two (Department of Premier and Cabinet WA, 2000, 2).

If done properly, workforce planning will make it easier to implement a range of other human resources initiatives such as flexible work practices, family friendly work practices, diversity strategies, etc.

There are a number of other benefits to be gained from engaging in workforce planning and these are listed below. This list is by no means exhaustive and there may be others, many of them less tangible, that organisations have experienced.

The process of planning allows an organisation to:

- understand the present in order to confront the future
- stand back and provide an overview
- ensure long term thinking is not clouded by short term focus
- challenge assumptions/liberate thinking
- make explicit decisions which would allow later challenge

- integrate organisational decision making and actions
- link HR plans to business/corporate plans so as to influence them
- communicate plans relevant to the workforce in order to gain support
- optimise use of resources/make them more flexible
- acquire and grow skills which take time to develop
- identify potential problems
- reduce risks by minimising the chances of making bad decisions, and
- provide managers with a strategic basis for making human resource decisions.

(Strategic People and Planning: an overview of workforce planning. Public Sector Management Division, Department of Premier and Cabinet, Western Australia; 2000)

The scope of the workforce plan

Breadth of Scope

Before beginning a workforce planning process, it is important to decide how broad the plan should be. Asking some basic questions might help establish this. Questions such as:

- What is the focus of the plan?
- Why are we doing it?
- What do we want to achieve?
- Is this plan for the whole of the organisation or just for my work unit?
- Where does the plan “fit” in terms of the organisation’s hierarchy of plans; that is, strategic, operational, corporate, specific purpose?

Workforce planning can seem to be such a huge and complicated task that it deters one from starting it. However, this need not be the case. It may be a large task if it is being done for strategic purposes in a large and complex organisation. In this case, appropriate resources and time will need to be allocated to it. However, it can be substantially less complex if it is being done at work unit level or to answer a specific query at a branch or work unit level. (For example, how many customer service officers are we likely to need if the population of the region we service keeps growing?) It is better to start small than to do no planning at all.

A strategic organisational strategy should be able to be broken down into workforce plans at operational levels to make it meaningful and workable at work unit levels.

Timeframes for implementation will be different for different agencies and for different levels; for example, a workforce strategic plan may project 3–5 years ahead (in alignment with the agencies strategic plan) while a work unit operational workforce plan may project only 1–3 years ahead.

Scenario Planning

If the workforce planning process is being undertaken at a strategic or corporate level, or if the work unit is operating in a volatile and turbulent environment, it is worthwhile to spend some time in engaging in a scenario planning process.

Scenario Planning involves stretching the imagination and thinking creatively of possible scenarios, analysing the implications inherent in them, and planning for the possible outcomes. It is necessary to identify a few scenarios and then decide which one is most appropriate for in-depth analysis and planning.

Resource Document 3 - References provides suggested further reading on scenario planning. The Art of the Long View: planning for the future in an uncertain world by Peter Schwartz (1996) is recommended.

Workforce planning models, frameworks and processes

Resource Document 2 - Workforce Planning Models, Frameworks and Processes, attached to this toolkit includes a selection of process models that have been used by agencies to assist their planning processes. These are provided as suggestions to guide the process of workforce planning. While they share fundamental similarities, they are presented differently.

To gain maximum benefit from workforce planning, the planning process should include all of the following steps:

1. Identification and analysis of the current and future business goals and workforce needs of the organisation;
2. Environmental scanning of the external environment and an analysis of what that will mean for the organisation;
3. Information gathering on the current status of the organisation's workforce (see Section 7.);
4. Analysis of the data on the current status of the organisation's workforce to identify patterns and trends that are impacting, or may impact, on business outcomes;
5. Analysis of all the data and information obtained to this point to identify the gaps between "what is" and "what will need to be". Analysis might identify that changes to operating structures and processes are required, flexibilities in work practices need to be introduced, current skill sets will not be needed, different skills will be required, etc;
6. Development of strategies and interventions to address the gaps between "what is" and "what will need to be";
7. Investment and implementation of the strategies in alignment with business direction, and allocation of roles and responsibilities;
8. Continual monitoring and evaluation of the effect of the strategies on business outcomes;
9. Review progress of strategies against performance measures; and
10. Continual monitoring and evaluation of changes to the internal and external environments and revisiting above steps as required.

Sources of Information below lists possible avenues to source appropriate data for the information gathering stage of the workforce planning process.

Sources of information

Data collection

The initial stage of workforce planning involves data collection. Data collection allows a clear picture to be formed of the current status of the workforce (census data) and a pattern of movement over time (trend data).

Once the data is collected, it should be analysed to tease out the critical elements and patterns that might indicate what management decisions should be taken to ensure appropriate future organisational capability.

A variety of workforce demographic data, including benchmarking and base-grade recruitment data, can be analysed to determine trends. For example it can allow an organisation to know how healthy it is in comparison with other industries, businesses, etc. It also helps identify if something that seems an aberration (e.g. ageing workforce) is really a standard across the general workforce and all industries. It is often worthwhile to break some of this analysis down into branch or occupation. Similarly, it can be prudent to concentrate on certain areas rather than covering everything at once.

The workforce plan provides a valuable opportunity to integrate and implement strategies to address diversity and equity of participation at all levels of the workforce. The workforce planning process should identify if the workforce mix in terms of gender, age, ethnicity, physical disability, etc is appropriate to meet the diverse needs of clients and eliminate occupational segregation of identifiable groups. In selecting an area on which to focus, it is wise to identify the segments of the workforce which:

1. are the most crucial to the effectiveness of the organisation, or
2. actually have existing problems.

Trend information combined with census data are essential building blocks for forecasting supply. It is always important to remember, however, that although past behaviour can be useful in predicting future behaviour it does have limitations. The accuracy of this form of prediction relies upon the circumstances surrounding the behaviour remaining constant. The rapid rate of change faced by many organisations may challenge this underlying assumption. Therefore, it is essential to always consider environmental factors and organisational direction when developing a forecasting model of building a specific workforce scenario.

The use of human resources information

The effective use of information is a cornerstone of the workforce planning process. Without information to assist in the planning, performance measurement and evaluation steps, workforce planning becomes ineffective.

Agencies have at their disposal, numerous sources of information to assist in the workforce planning process. The following sources are readily available to agencies:

- **Human Resource Information Systems (HRIS)** – Agencies have a range of human resource information available through their HRIS. Employee information available includes age, location, occupation, salary, appointment type, employment status, length of service, absenteeism, separation rates etc. This information will assist in matching workforce requirements with service delivery needs. It will also assist in identifying workforce issues such as ageing, casualisation of the workforce, etc. Most HRIS can provide both trend and transaction data which are both valuable in analysing the information to develop workforce strategies.
- **The Australian Bureau of Statistics (ABS)** has a range of information about population demographics, economic data, population trends etc. This information will assist planning current and future service delivery requirements.
- **Minimum Obligatory Human Resource Information (MOHRI)** - Service-wide information on the public service workforce is also available from the Information Branch within the Public Service Commission (PSC). This Branch is responsible for the collection of Minimum Obligatory Human Resource Information (MOHRI) and the subsequent research and analysis of public service human resource information. Reports are developed and submitted to government for information. Agencies can compare their human resource information with service-wide information.

Information available about the QPS workforce from the Information Branch includes but is not limited to:

- size of the QPS
- composition of the QPS, including occupation, gender, classification level, qualifications level, length of service
- age profiles
- average annual earnings
- geographic location of employees
- absenteeism
- separation rates, and
- higher duties allowances.

This information provides the necessary baselines from which planning can begin. The staff at PSC are able to manipulate the data to give you information specific to your agency and region or comparative data across a range of variables.

For further information about public service human resource information, contact mohri.administrator@psc.qld.gov.au.

Legislation

Specific public sector legislation and policies prescribed in directives impact on public sector management and employment. These documents are available from the PSC website at www.psc.qld.gov.au

Other Sources of Information

Information on the external environment and social and economic trends is available from a variety of sources. Professional associations publish journals and research findings that are a valuable source of information. It is highly recommended that a scope of global and national influences is undertaken before making assumptions about the direction an organisation should take. The following are provided as starting points for an information search.

- Professional Associations
 - Institute of Public Administration Australia (IPAA)
 - Australian Human Resources Institute (AHRI)
 - Australian Institute of Training and Development (AITD)
 - Australian Institute of Management (AIM)
 - Professional Associations representing particular trades, professions or industries (e.g. electricians, teachers, engineers, construction, etc)

- Government
 - Australian Bureau of Statistics (ABS)
 - Annual Reports

- Internal Data
 - Agency libraries
 - Employee surveys (eg QPASS)
 - Client surveys
 - Suppliers
 - Contractors

- Academic Information
 - Universities
 - Academic journals

- General
 - Business journals and magazines
 - Media releases
 - Benchmarking data
 - Best practice reports
 - Industry trends (especially important for commercialised units)

Implementation tips

The following points have been provided by human resources specialists within the public sector who have engaged in workforce planning. They are offered as “tips for unwary players” in the hope that they might assist others. The tips have been loosely grouped into categories for convenience, but most are applicable across the entire workforce planning process.

Resource Document 4 - Templates – Sample Forms includes a set of templates to guide you in the workforce planning process. Workforce Management Assessment Proformas are also available to guide your processes.

Getting started

- Initial scoping is vital. Decide how big the project will be given the resources and time you have available. Will it be a whole-of-agency project or will it be restricted to a region or work unit level? Alternatively, will it be oriented to a specific issue or occupational group?
- It is important to establish a project plan that plots each stage of both development and implementation.
- Consultation at all stages of the process of development and implementation increases stakeholder commitment. (Refer to Section 8.6 and Resource Document 5)
- A dedicated staff member is needed to manage the project. The scope of the project will determine the number of staff/resources needed.
- Establish a process for consultation and implementation. One agency has set up staff committees in each region and included people from target groups on the committees. Another large and complex agency with several occupational groups has established career groups and business groups to cover the matrix of the organisation.

Gaining support

- It is essential to gain support from the director-general and/or other applicable senior officers before beginning workforce planning.
- It is helpful if there is a “champion” at senior level who can market and sell the concept at executive level and keep it on the agenda as a priority issue.
- High level support adds weight to what you are trying to accomplish and increases the chances of support and co-operation from colleagues.
- Workforce planning affects the culture of an organisation, and therefore culture change must be part of the strategy for development of the plan, consultation and implementation.

Leveraging support

- Support from senior officers is more likely to be gained if you can show the financial benefits of workforce planning. For example, the strategic use of workforce planning can identify, and therefore has the potential to reduce, hidden costs associated with ineffective use of human resources at both the agency and regional level.

- Workforce planning allows an organisation to link a range of strategic plans such as the learning and development plan. This linkage provides a simplified reporting system for agencies.
- Workforce planning provides an integrated focus and rationale for implementing a range of attraction and retention strategies, such as flexible work practices, rewards and recognition, etc.

Being flexible

- There is no one-size-suits-all solution. An approach that suits one agency, region or work unit might not be the best approach for another situation.
- The structure of the organisation is specific to each agency. The structure will partly determine how the process of workforce planning, including consultation, might be progressed. The plan must be sufficiently flexible to adapt should the structures change.

Managing expectations

- It is likely that a significant number of contributors will have differing expectations of the outcomes of the workforce planning process, some of which cannot be met. The process of consultation will need to manage unreal expectations.

Consulting

- Consultation at all levels during development of the plan is vital to gain and maintain interest and commitment.
- Consultative Committees should be an integral part of the consultation process to facilitate stakeholder involvement. These groups have the advantage of joint union/management meetings which may assist to inform and involve unions.
- Consultation must aim to inform staff and representative organisations of the purpose of workforce planning and gain commitment to it.
- It is important to communicate throughout all levels of the organisation and to relevant stakeholders.
- Develop an information strategy with a range of materials and approaches for different audiences. Workforce planning is a many-faceted concept and it is likely that staff will “latch on” to one part of the concept without seeing the whole picture. The message needs to be delivered several times in several different ways.
- Resource Document 5 provides some information on consultation practices and processes.

In summary, it is reasonable to suggest that the successful application of workforce planning will depend upon a number of key factors, namely:

1. *Commitment – preferably everyone’s, otherwise find some sympathetic stakeholders and take what you can get!!*
2. *Holistic approach – real life is full of uncertainties, therefore, by broadening the focus more realistic plans can be developed for an uncertain future.*
3. *Links with other planning activities – integration with core business activities such as strategic and financial planning is essential.*

(Strategic People and Planning: an overview of workforce planning. Public Sector Management Division, Department of Premier and Cabinet, Western Australia; 2000, 49)