

Workforce Planning



Welcome and introduction

- **Informal**
 - interactive,
 - stop me at any time
 - what you need from the session
- **Introductions**
 - A bit about your service
 - What workforce planning involvement you have had



Programme

- Introduction to workforce planning
 - What is it and why do we do it?
- Demand analysis
 - What are we planning for?
- Supply analysis
 - Workforce availability
- Gaps & strategies
 - Developing responses to what we know
- What next?
 - Personal actions

Programme



- Introduction to workforce planning
- Demand analysis
- Supply analysis
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- What next?



What is workforce planning?

- Some general definitions:
 - What we need to do now to develop the workforce of the future
 - A process for defining and addressing the most critical staffing implications of business strategies and plans (both skills and staffing levels)
 - Right people, right place, right time, right skills, right cost
 - Analysing and forecasting the workforce the council needs to execute their business strategy, proactively rather than reactively

“Ensuring the size, shape and skills mix of the workforce aligns to, supports and delivers on the organisation’s current and future business outcomes.”

Activity

Some initial questions to consider



- What are our current workforce challenges?
- What are our future workforce issues?
- What strategies do we have in place to manage both successfully?
- How do we understand the capability and productivity of our workforce?
- How do our workforce challenges influence our ability to achieve our service objectives?
- What is the connection between our workforce and the success of our organisation?
- What will be the key differences in the way our organisation will look in the medium to longer-term?
- What different skill sets will be required?

Workforce planning: Why do it?

- To make best use of resources and justify expenditure of public money
- To get a grip on the present, and impose some order on the future
- To acquire and grow skills which take time to develop
- To staff a new development or manage a relocation or withdraw/downsize in an orderly, phased way



Workforce planning: Why do it? (cont)

- To support the implementation of service, business and strategic plans
- To communicate:
 - about future resource requirements
 - so people understand what's going to happen, when, and how
- To think about the longer term and envisage how to cope with different possibilities
- To inform decision-making
- To think about the whole organisation /service in a coherent and consistent way

What does it mean in practice?

- Joint responsibility
- An inexact science
- A continuous process
- A long-term commitment
- More than a profile
- Investment in the future
- Direct link between people and service outcomes
- Risk mitigation
- Maintenance and development of skills & knowledge



What is workforce planning not?

- An analysis of every role and workforce issue
- A tick box exercise
- A job just for HR
- About fixing today's vacancies
- A perfect prediction of future workforce needs



Workforce planning: what can go wrong?

- Drowning in data - Paralysis by analysis
- Only analysing internal supply data and not demand data (*or vice versa*)
- Making workforce planning a highly technical specialist area
- Reinforcing the status quo
- Creating something that:
 - Adds lots of extra bureaucracy with few results
 - Is wholly owned and controlled by HR
 - Sits in a vacuum without engaging people who understand the front line issues and provide qualitative input

Have you encountered these problems?

The workforce in context

- Public Sector FTE workforce of 573,800
 - 11% of population
 - 22.8% of labour force
- Local Government = 44.6% 263,900 employees; NHS 26.3%
- In rural Scotland over 40% of workforce and over 60% of graduate employment
- Critical to local economies
- Around 58% of revenue costs are staffing
 - **£7,100,000,000**
- Estimates by 2017 nearly 34% of workers will retire or leave the workforce

Organisational challenges - workforce challenges

- Scale of spend on negative outcomes
- Outputs vs outcomes
- Quantitative vs qualitative
- Future focus vs short-termism
- Localism vs scalable service provision
- Collaborative gain
- Workforce intelligence
- Citizen and community expectations - customisation and personalisation

Audit Scotland - Best Value Toolkit

How effectively does the organisation integrate workforce planning with its strategic and financial planning processes?

To what extent is there a cohesive approach to planning organisational capacity and skills in support of corporate objectives?

How effectively does the organisation attract, retain and manage its talent?

How well does the organisation deploy and support people in a way that ensures increased efficiency and effectiveness?

Deloitte, 2009, “New Shapes and Sizes”

“Until now many LG cost reduction initiatives have relied on

- Marginal savings
- Not filling vacancies
- Reducing seniority or hours worked when filling vacancies
- Uniform percentage cuts with minimal prioritisation

Such an approach risks delivery failure and may miss the opportunity for more radical reshaping”

Positioning Workforce Planning

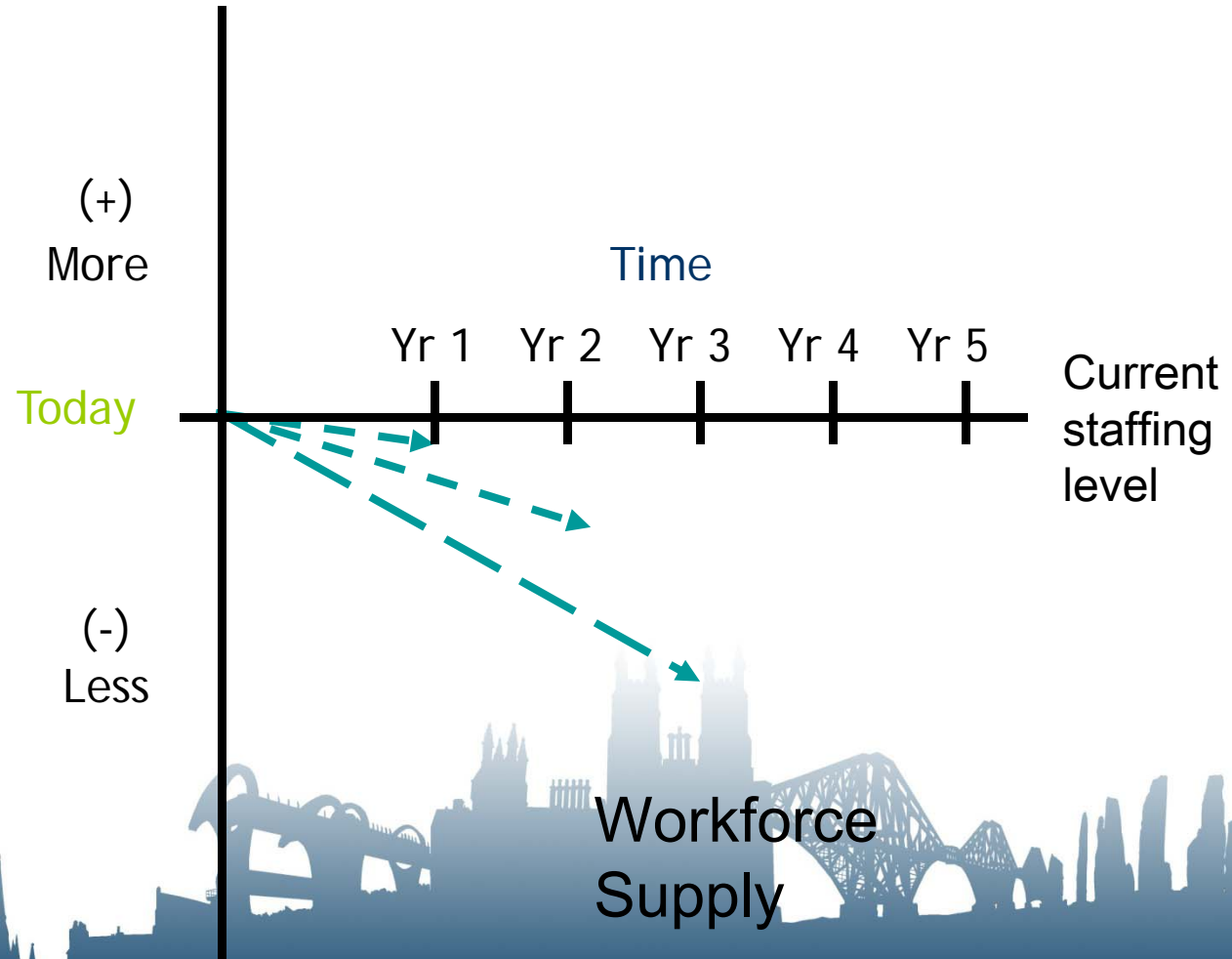


The Workforce Planning Model

“Ensuring the size, shape and skills mix of the workforce aligns to, supports and delivers on the organisation’s current and future business outcomes.”

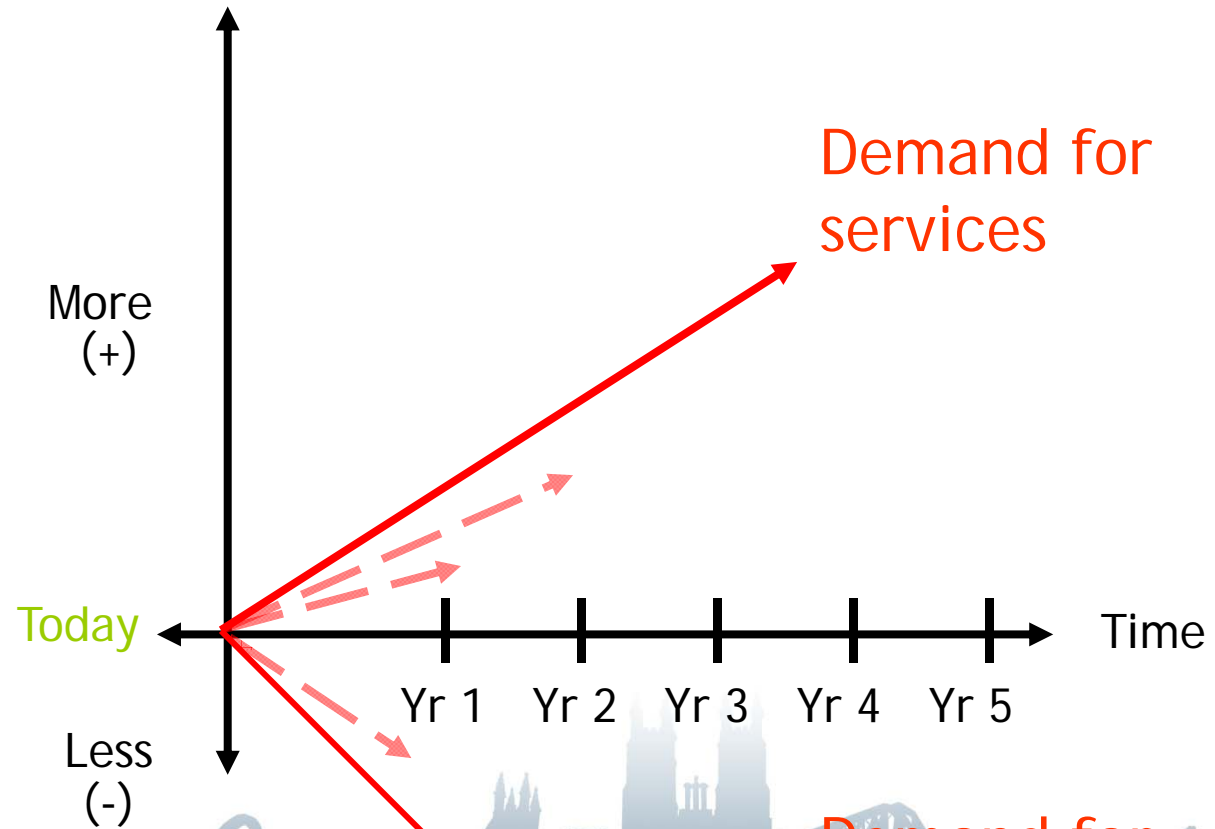
The Workforce Planning Model

How many employees will you have?



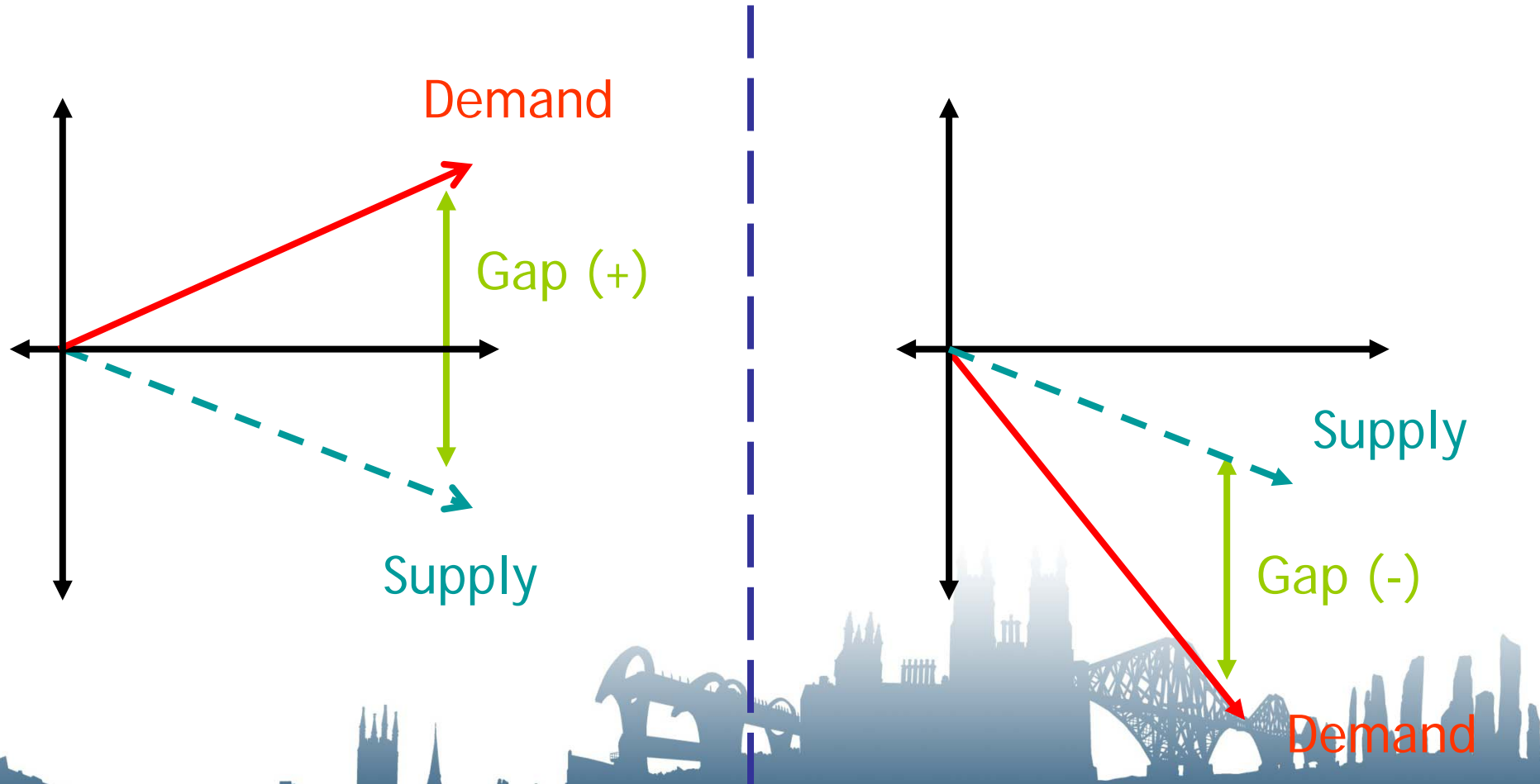
The Workforce Planning Model

How many employees will you need?

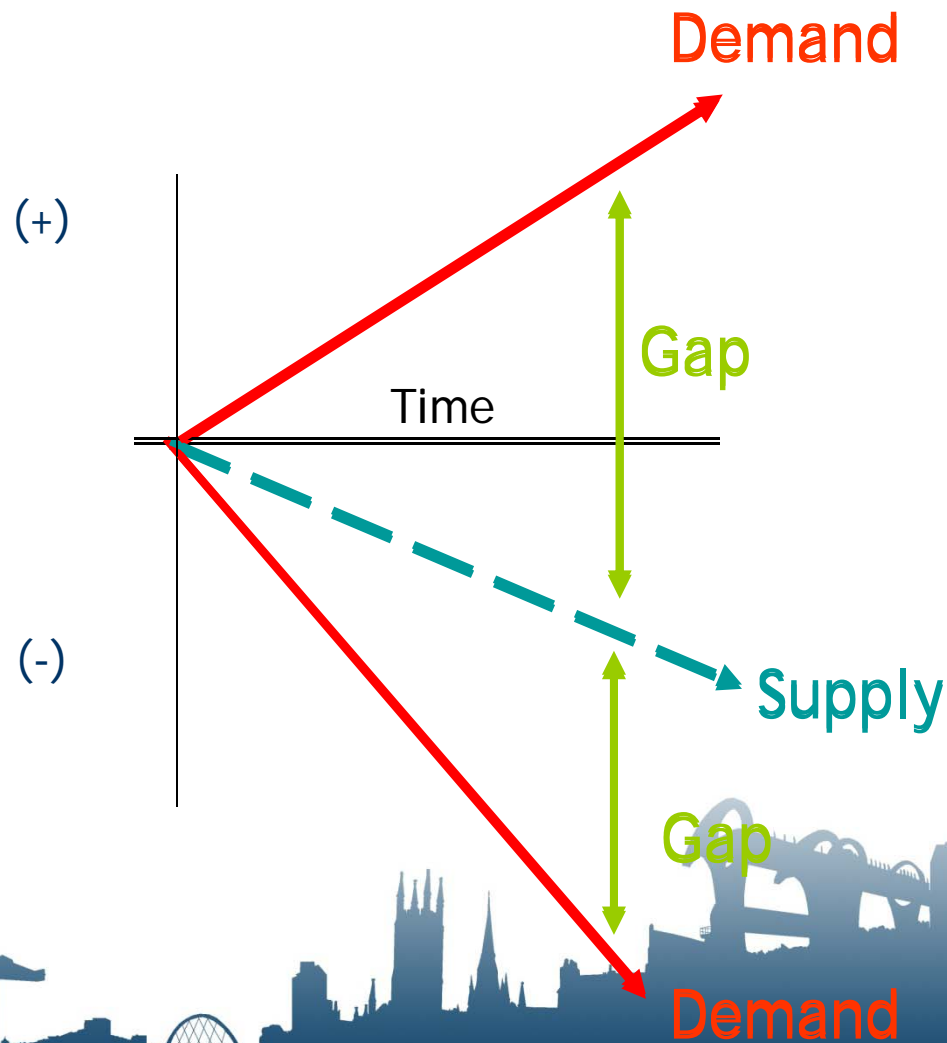


Demand for services

The Workforce Planning Model



The Workforce Planning Model



- Establish the **demand**
- Determine the **supply**
- Ascertain the **gap**

↓
Develop
strategies

Workforce Planning Elements

Demand

Outcomes

Service planning

Business models

Workforce requirements:

- Skills
- Numbers
- productivity
- Location
- Provider

Supply

Internal

- Profile
- Turnover
- Retirement
- Skills
- Transfers

External

- National & regional demographics
- Professional & industry associations
- Labour market
- Employer competition
- Skills

Gap

Workforce strategies:

- Succession planning
- Skills development
- Leadership
- Pay and reward
- Recruitment/retention
- Image
- Redundancy

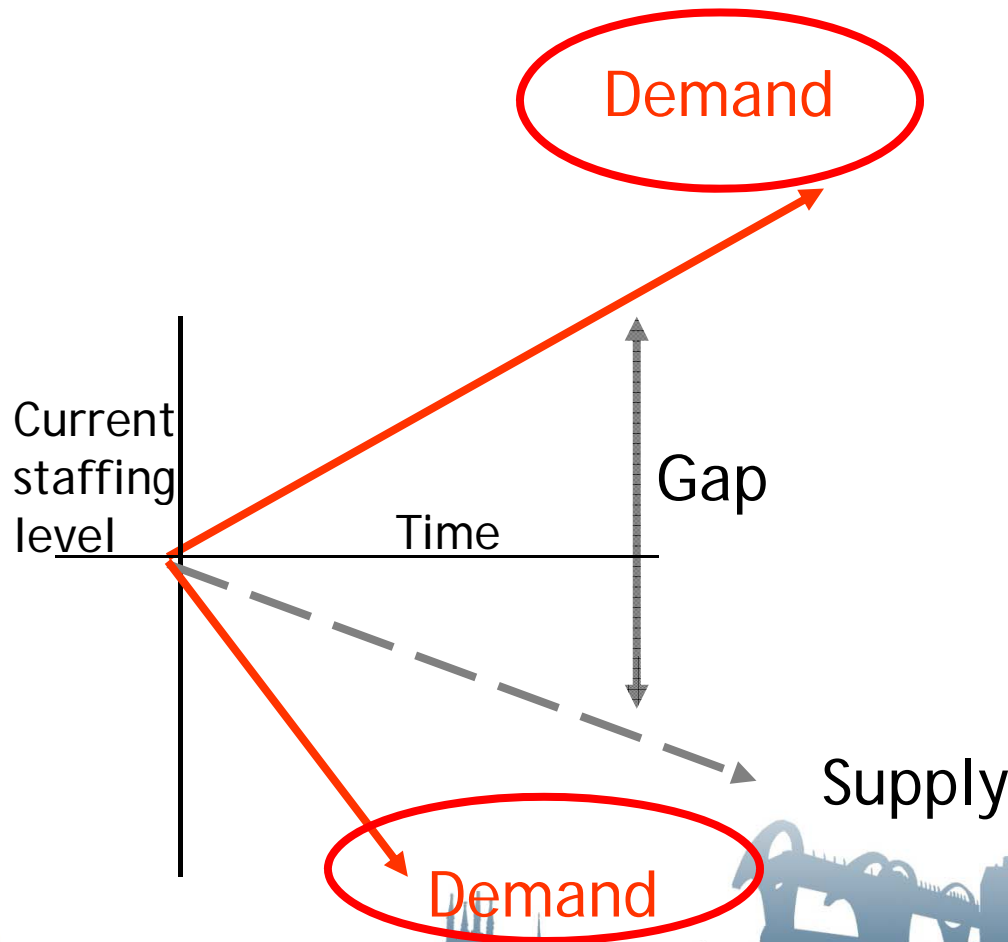
Programme



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What do we mean by Demand?



Demand is setting out the vision of what the council will look like in

3 years

5 years

10 years

Leadership

“When you want to manage begin with the person; when you want to lead begin with the picture of where you are headed”

Marcus Buckingham

“The one thing you need to know”

2006, Pocket Books



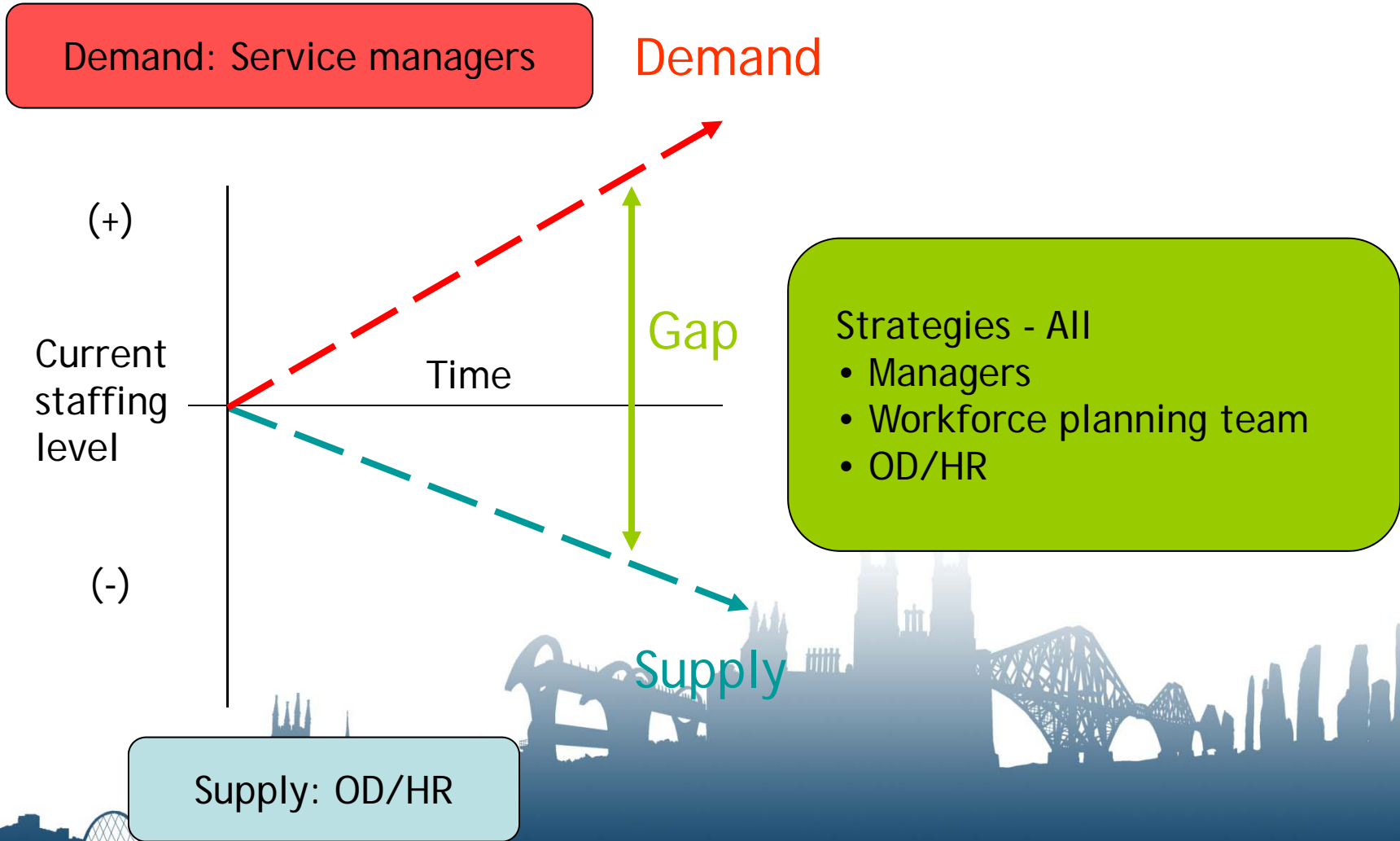
Demand Drivers

- What the council workforce needs to look like, in order to accomplish its future outcomes
 - Is the current workforce aligned to the future intentions of the organisation?
 - Is strategic action being taken now to ensure that the current workforce is ready to meet the future needs of the organisation

Demand Requires

- Developing strategic workforce responses to the organisation's mission, vision and goals
- Capacity in the organisation to develop strategic plans, lead strategic initiatives and provide analysis of complex issues
- It to be seen as the responsibility of the entire organisation not HR

Who Does What?



Demand is about

- Size of workforce
 - How many
 - All staff incl. agency and temporary
(cost reduction)
- Shape of workforce
 - How are they organised
 - Performance management
(organisation design)
- Skills in the workforce
 - Do the right capabilities exist
 - Is the right leadership in place to support change
(re-skilling and flexibility)
- Source of the workforce
 - Future recruitment
 - Main competition for workforce
 - Outsourcing / commissioning

Demand

How it links to the wider model

- Begins to position and relate the current workforce to the bigger context of future needs and service delivery (need for new skills and attitudes, need for new ways of working)
- Exposes the gap between current situation and what needs to be achieved in relation to service delivery and the workforce
- Identifies the most important workforce issues to help prioritise action on what needs to be done now to ensure the future vision can be achieved

PEST

- Political
- Economic
- Social
- Technological



Activity: PEST

Think about what the service will look like in 3 to 5 years time, e.g.:

- What are the key *internal* factors – major new developments, withdrawal of services/closures, restructuring, different business models, long term organisational priorities and implications for structures, roles, skills, attitudes, numbers, skills mixes
- What are the key *external* factors – government priorities, new technology, resource constraints, international politics, competition, value for money and how the service will need to respond to these

Why Scenarios? - Foresight matters . . .

Foresight - the systematic examination of potential threats, opportunities and likely developments including those at the margins of current thinking - novel and unexpected issues as well as persistent problems or trends



Last words of General Sedgwick 1864

“They couldn’t hit an elephant at that dist. . .”

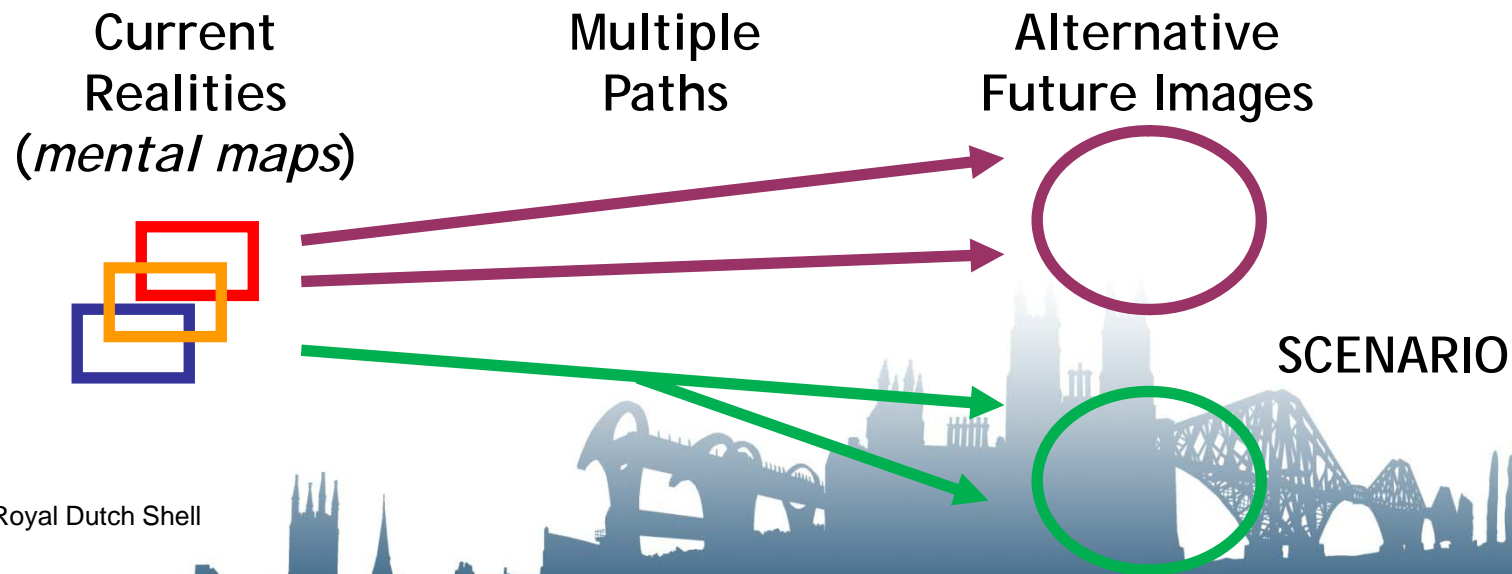
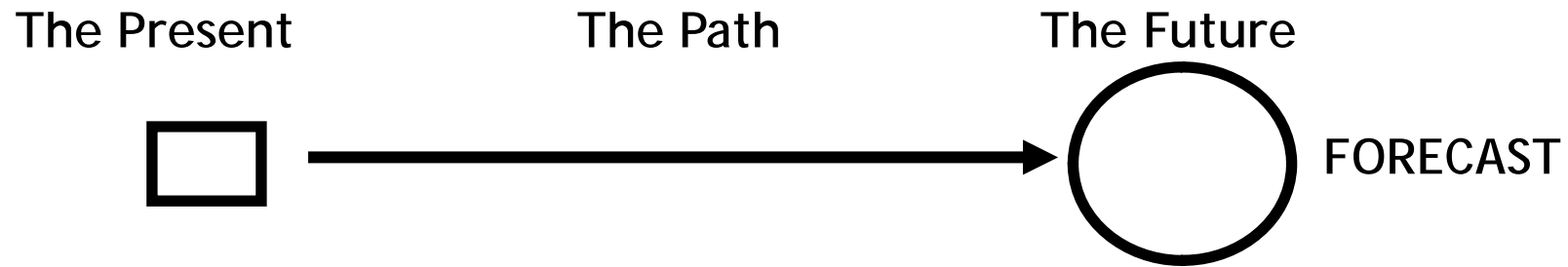


What are Scenarios?

- Not forecasts
- Stories about how the world could evolve
- Highlight key strategy/organisational issues now
- Embrace uncertainty
- Examine the roll out of critical factors
- About exponential growth or step change



Scenarios . . . versus Forecasts



Adapted from Royal Dutch Shell

Scenarios Versus Forecasts

'Worldwide demand for cars will not exceed 1 million'

Mercedes Benz market forecast, 1900

'Computers in the future may weigh no more than one-and-a-half tonnes'

Popular Mechanics, 1949

'I think there is a world market for maybe five computers'

Thomas Watson, Chairman of IBM, 1943

'I can foresee the day when there will be one of these in every town'

A mayor in early twentieth century Pennsylvania

The computer in your mobile phone is

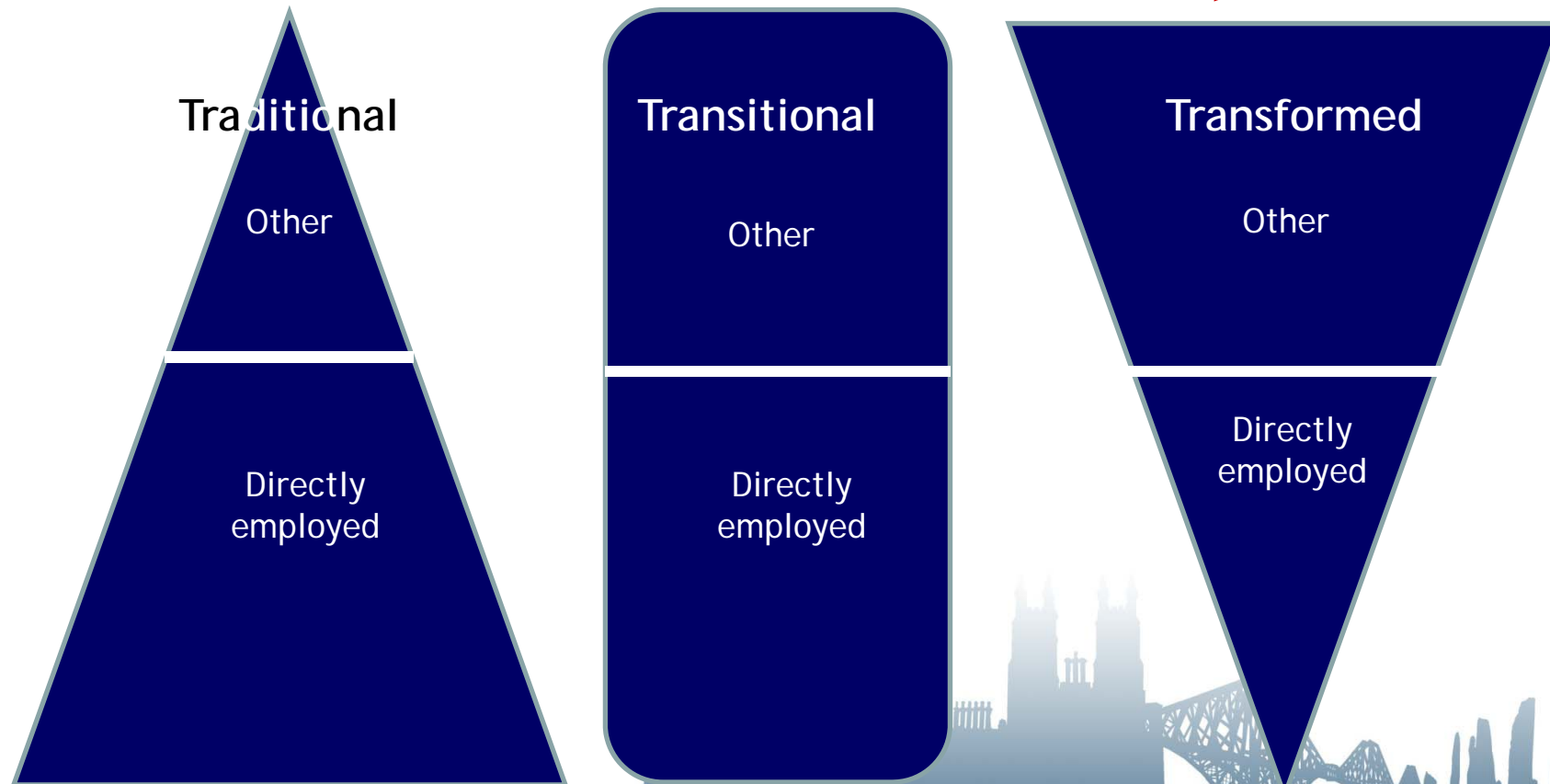
- A million times cheaper
- A thousand times more powerful
- A hundred thousand times smaller

Than the one computer in MIT in 1965



Operating Model Impact

Degrees of organisational and workforce change



Council 'A'

- Prevention, early intervention and enablement as the norm
- Personalisation, choice and control, and empowerment for citizens and communities
- Citizens co-producing, co-developing and co-evaluating services
- Joint place shaping, strategy planning and delivery with public, private and voluntary sector partners
- Devolved decision making and neighbourhood working;
- Greater focus on commissioning
- Continual drive for efficiency and value for money;
- Emphasis on sustainability
- Increased scrutiny of partnerships
- Improved collaboration across local authority boundaries

Activity

Review the issues that Council 'A' has identified as having an impact on the way they will operate in the future and:

1. Identify the issues that would be applicable to your Council.
2. Identify any other issues which are relevant to your Council which are not covered.

Activity

- What business models are you currently considering?
For which services?
- Who are the employers of the future workforce likely to be?
- Which staff are likely to be directly employed by the council?
- What are the skills required in the different models?
Traditional
New
- What is the source of these skills?

Look at these issues in relation to the table provided

Operating Models - Workforce

| Operating Model/Workforce | Traditional | Transitional | Transformed |
|--|-------------|--------------|-------------|
| The employer of the people providing services | | | |
| Council | | | |
| Agency | | | |
| Shared services | | | |
| Social enterprises | | | |
| Partnerships | | | |
| Private contractor | | | |
| Directly employed staff – type and number | | | |
| Professional roles | | | |
| intermediate | | | |
| Admin/Clerical | | | |
| Direct services | | | |
| The skills required | | | |
| Traditional skills | | | |
| New skills | | | |
| The source of Skills | | | |
| Internal / other councils | | | |
| Other public sector | | | |
| Other - what might these be? | | | |
| Private sector | | | |



Service Models

- To solutions depend on instruction, command and coercion, to get things done.
- For solutions are delivered to us
- **With** solutions we devise cooperatively with others
- **By** solutions depend on self motivation and DIY



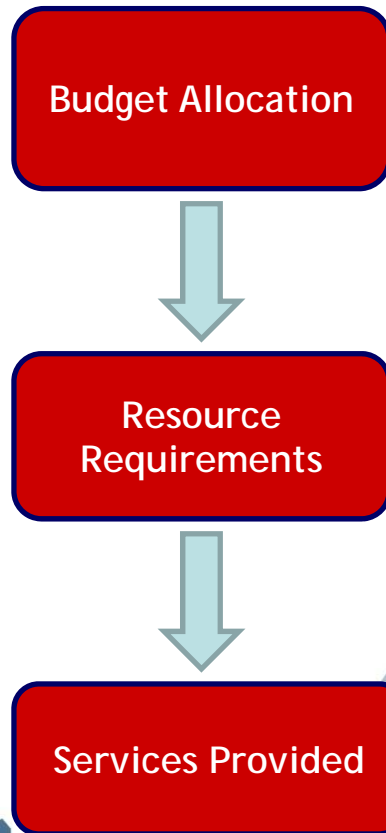
Strategic Skills

- Flexible and agile working
- Community engagement / Co-production
- Procurement / Contract management
- Climate Change / Sustainability
- Business Analysis
- Commercial Skills
- Project / Programme Management
- Leadership for Change and Innovation

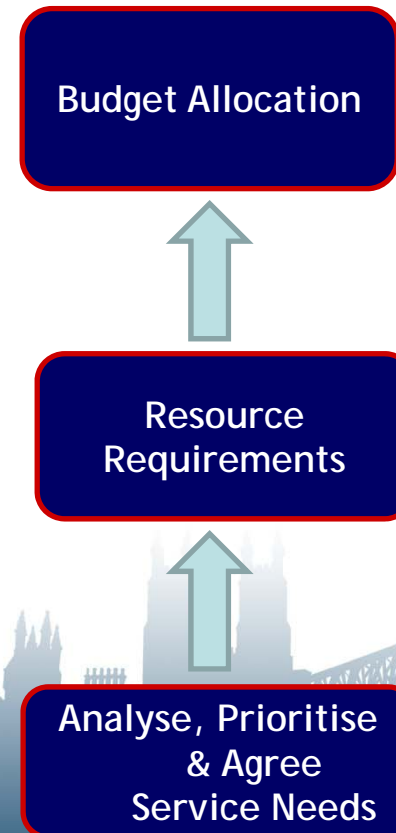
Planning for the Future - Better Way?

Need to move from traditional budget-driven to more service-driven decision making

Budget-driven decisions



Service-driven decisions



Remember

Don't "Do nothing for anyone" just because you can't
"do everything for everyone"

Thomas P Bechet

"It is better to get the future imprecisely right
than precisely wrong"

Inforhm

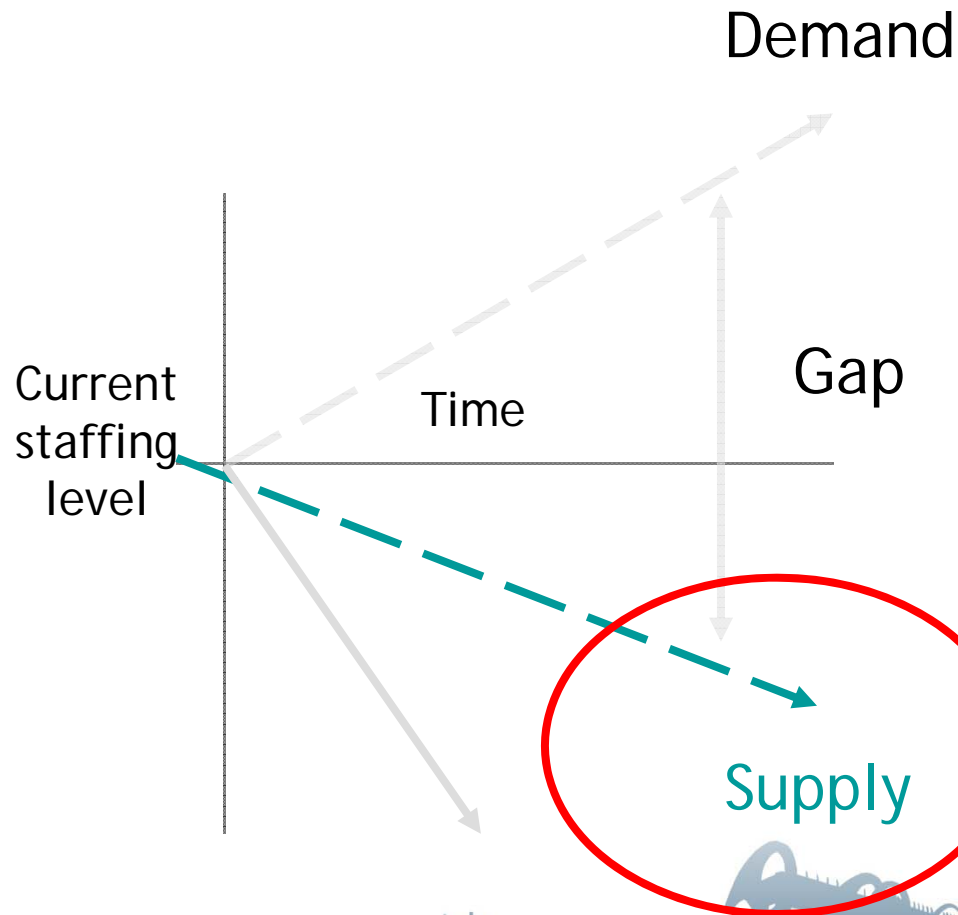


Programme

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- **Supply analysis**
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What do we mean by Supply?



- **Internal**

- Current workforce profile
- Staff flow

- **External**

- Impact of external factors

What do we mean by Supply?

“The number and type of people and skills that are available to be deployed in the delivery of a service”

Skills for Health

“The staffing resources available to you”

CPS Human Resources Services



Workforce Profile

- Number of employees by classification and/or location
- Age, gender and ethnicity
- Wages and salary information
- Appointment status
- Retirement eligibility
- Length of service and seniority
- Turnover
- Education level and skills



Workforce Supply Conundrum

How do you
define supply?

Is it the number of “bodies”
or is it what those “bodies”
are capable of doing?

Example

Of 100 social care
workers:

only 80 have the skills
required to do the job
effectively

Is your
supply 80 or
100?

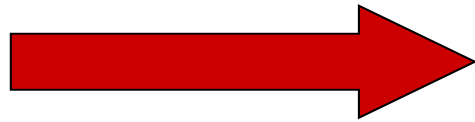


External Factors: Questions

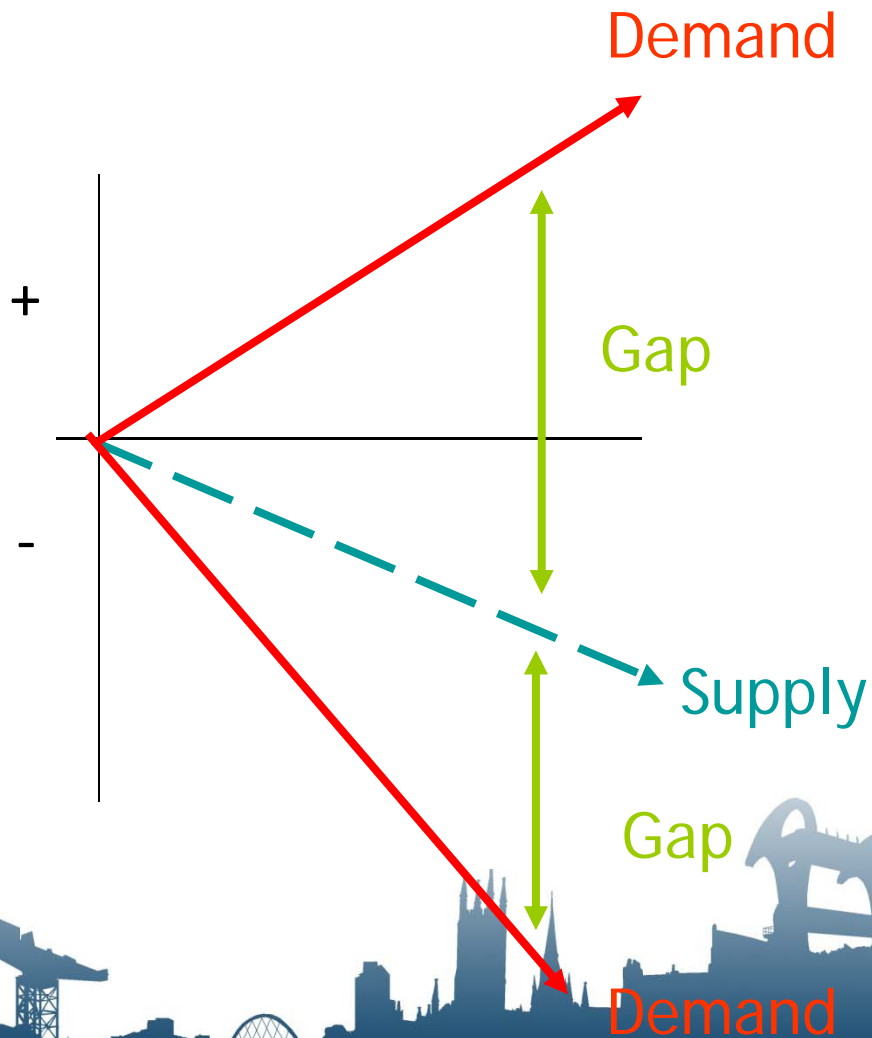
- Is the available population from which you might recruit changing, e.g. is it a professional group which is facing a lot of retirements nationally over the next few years?
- Are important changes occurring to the education and training system or to number of trainees, e.g. is this a group which has seen a marked drop in numbers entering training?
- Are there general reports of labour shortages or skills gaps in this labour market? Are they getting worse or better over time?
- Are there areas of oversupply?

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The Workforce Planning Model



- Established the **demand**
- Determined the **supply**
- Ascertain the **gap**

↓
Develop strategies

What type of Workforce Issues?

- Significant changes in required staffing levels (up or down)
- Major changes in required capabilities (including positions where required skills may be unknown)
- Positions that will be particularly critical
- Positions that will be hard to fill
- Positions with long lead in time for training
- Skill sets that you have not needed or looked for previously
- Skill sets for which there is extreme competition externally

Ulrich's 6 Bs (2005)

- **Buy:** expand talent pool, hire the best, create partnership sources of new talent, pathways in
- **Build:** in/formal development, individual mentoring, designing “good jobs” - role depth, autonomy
- **Borrow:** partnerships, alliances, special projects, maintain relationship former employees/retirees
- **Bounce:** restructuring, manage poor performance
- **Bind:** where are you most at risk?, incentives, pay and benefits monitoring
- **Boost:** career development opportunities for employees, expand current job role and depth

Strategy Development

Strategies can be established at different levels:

- **Sector or industry** - assessing skills and numbers needed for occupational groups (role of SSCs)
- **Corporate** - organisational improvements and core business directly influence demand projections
- **Business unit** - managers develop workforce planning in line with core business planning
- **Personnel** - workforce objectives and strategies aggregated up into a strategic staffing plan

Remember

“Workforce planning is a process not an event”
Strategic Staffing - Thomas Bechet



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Summary: Key Steps in Workforce

Planning

- There are several models, frameworks, checklists etc. available and essentially they all say the same thing, i.e. workforce planning is a logical, step-by-step process:
 - understand what the service/council/partnership is trying to achieve
 - understand your existing workforce and current issues
 - look at the workforce supply available to you
 - decide how you are going to cope with any major surpluses/shortfalls/risks or other issues
 - feed results into your recruitment, retention and skill development and workforce plans/strategies
 - Take action and review progress and success
 - Refine your approach

Next Steps

- Ensure that workforce planning connects and is integrated with service and financial planning
- Move the focus away from short term planning to medium and longer term strategic planning
- Enable consistency of approach by equipping people within your council with workforce planning skills
- Ensure that any workforce planning champions or steering group is aligned to wider service planning processes

Pause and Reflect

- Are we jumping to solutions without fully understanding the issues?
- Are we using accurate data?
- Are we retaining/recruiting the right people with the right competences and behaviours to be successful *in the future*?
- Do we have good supervisors and leaders who provide effective performance feedback?
- Are we evaluating the right measures for individual performance aligned with organisational purpose?

“Changing the World”

- A vision of how the institution, service or outcome area will be and how it will add to the sum of human happiness
- A story to enable people to recognise where they have been and how they will now go forward
- A set of actions which will take us on those next steps toward realising the vision
- A clear framework for improvement to deliver those actions, embed the changes and resolve variations in performance

“Changing the World”

- A strategy to engage and empower the workforce(s) in support of these changes
- An understanding of how the change will play out in localities
- A guiding coalition to drive the reform when the going gets tough, and to sustain the authorising environment

Sir Peter Housden, Permanent Secretary

Activity: What will you do next?

Checklist

1.

2.

3.



Questions?

