

## Thinking about Workforce Planning in the APS

By Andrew Simon

### Perspectives

Ever since the Australian National Audit Office (ANAO) tabled its audit report in Parliament on workforce planning in the Department of Immigration, Multicultural and Indigenous Affairs (DIMIA) last year, interest in this somewhat mystical branch of HR practice appears to be growing. For example, over a hundred HR practitioners and managers attended a presentation on Workforce Planning hosted by the Institute of Public Administration Australia (IPAA) in Canberra recently and The Australian Public Service Commission is held its first Workforce Planning Summit in Canberra in late November.

On the face of it, the prospect of being audited is itself a powerful influence on what Australian Public Service (APS) agencies focus on and tend to pursue in their continual drive to improve. Yet, many senior managers in the APS are recognising the value of workforce planning as an activity which can align and shape an agency's workforce in relation to its outcomes and outputs, audit or not.

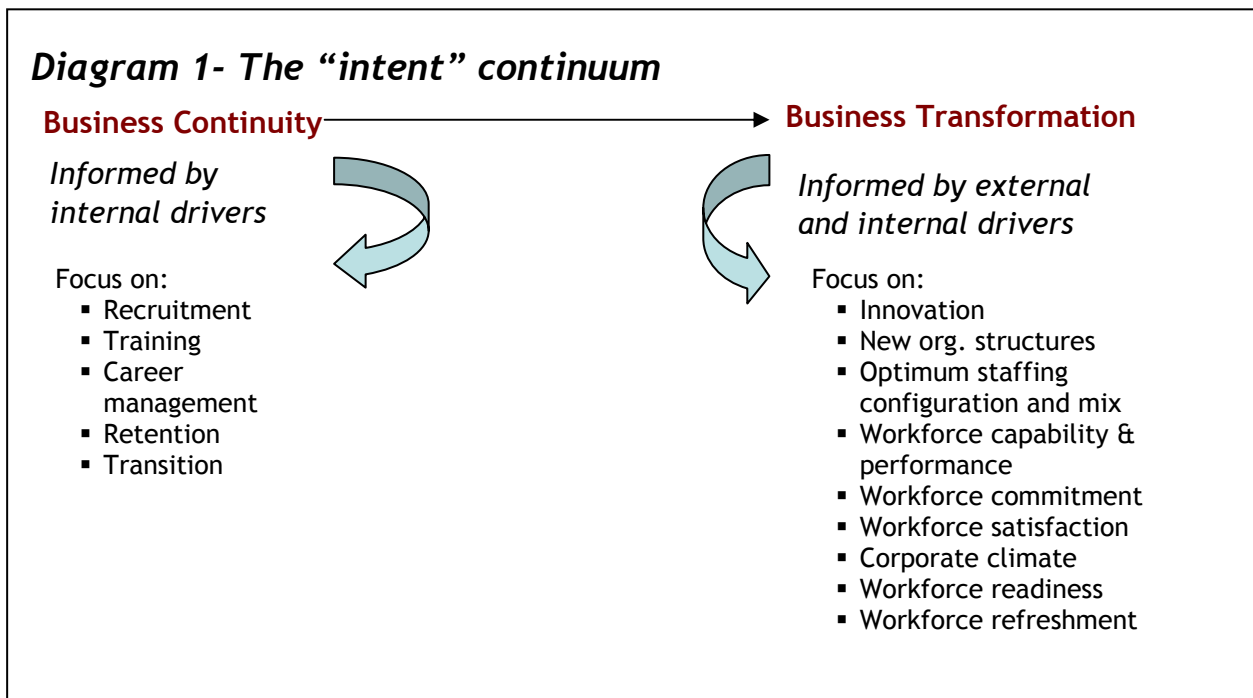
The fundamental purpose of any credible and useful workforce plan is to enable the agency's workforce to better deliver on agency outputs and outcomes, in conjunction with other organisational resources and assets in ways which are appropriate to legislative frameworks and public accountabilities. Whilst this objective of workforce planning is relatively straightforward, how it is practically carried out is largely shaped by the perspectives which agencies and their planners have and bring to the workforce planning endeavor. These common perspectives are broadly to do with:

- the intention of workforce planning; and,
- how planning is carried out within agencies.

### What is the intention of workforce planning in your agency?

The answers to this question can reveal influential perspectives. These can be plotted usefully on an "intent continuum" (see Diagram 1). At one end, the intention of workforce planning is *Business Continuity* and at the opposite end, *Business Transformation* is the intention.

Both intentions are obviously legitimate depending on the agency's internal and external environment but both have very different practical implications for actual workforce planning work. For example, if business continuity is the intention, the workforce planning effort will revolve around developing and strengthening HR practices and business process to ensure that the agency has a workforce which is able to continue with its business in a sustainable manner. Planning will tend to focus on maximising and improving the value of traditional HR processes of recruitment, training, career management, retention and transition in ensuring that agency business can continue on an even keel. Key themes under this perspective include: consolidation, strengthening, refinement and stability.



Business transformation as the intent on the other hand, would see the planning effort focus on developing plans which would facilitate fundamental change to both the way business is carried out and to the workforce carrying that business out. Planning will tend to focus on:

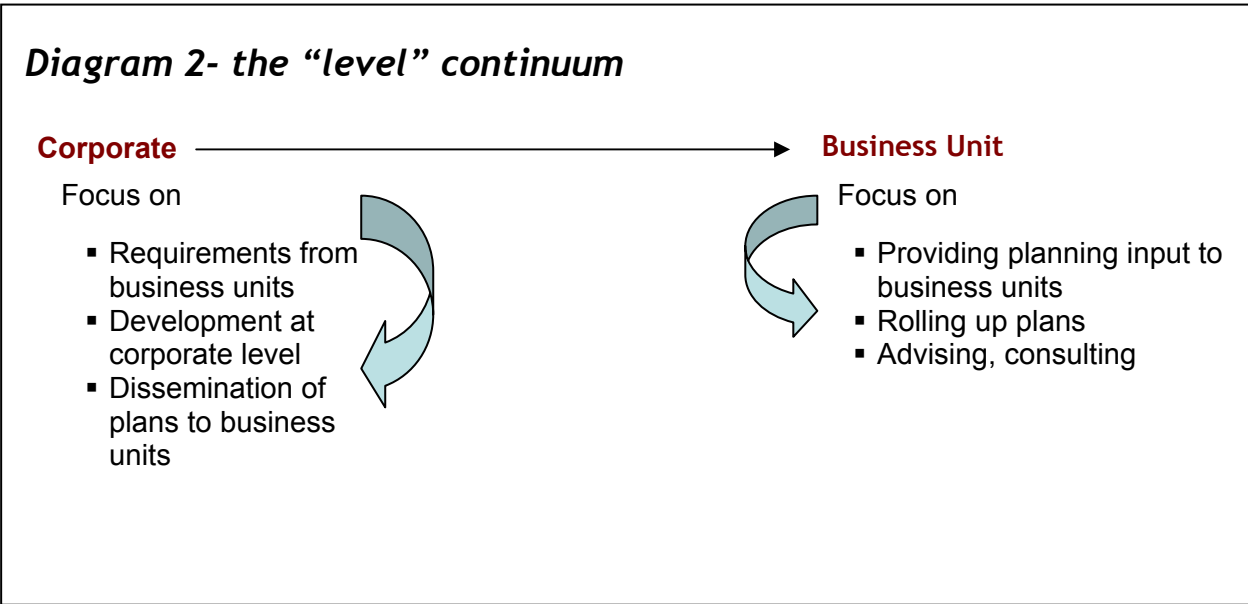
- new organisational structures
- optimum staffing levels, configuration and mix
- workforce capability and performance
- workforce commitment
- workforce satisfaction
- workforce readiness; and
- workforce refreshment.

The emphasis under such a perspective is not so much a concern with HR processes as is the case with business continuity, but with relevant *workforce features* or characteristics that would become the building blocks for the development of strategies and programs which would re-shape the workforce, to deliver on new or changing agency outcomes or ways of doing business. For example, an understanding of the levels and drivers of employee commitment would enable the workforce planner to anticipate employee response to a change in the way the agency carries out its business, and therefore facilitate the development and implementation of relevant, targeted proactive HR programs and strategies.

Whilst it is clear that the two perspectives are not mutually exclusive and it is indeed likely that the two perspectives can co-exist within the one large agency especially where some business units are changing and some are not, applying the wrong approach to a particular workforce planning need can result in confusion and huge amounts of unproductive work. For example, a focus on improving recruitment models or processes (business continuity perspective) will not yield successful results if what is required is a re-definition of employee capability requirements (business transformation perspective). A misunderstanding of the intent of workforce planning will tend to result in a sluggish or misaligned workforce response to agency needs.

**Is workforce planning carried out at corporate or business unit levels?**

Answers to this question can be plotted along the “level continuum” (Diagram 2) which identifies the level at which workforce planning occurs within the agency. A “corporate approach” is one where workforce planning is approached as a key corporate function. Here the corporate workforce planner will typically need to obtain a clear picture of business unit workforce requirements, develop corporate workforce plans and disseminate these to the business units. In short, the workforce planner operating under this perspective would be largely *doing*.

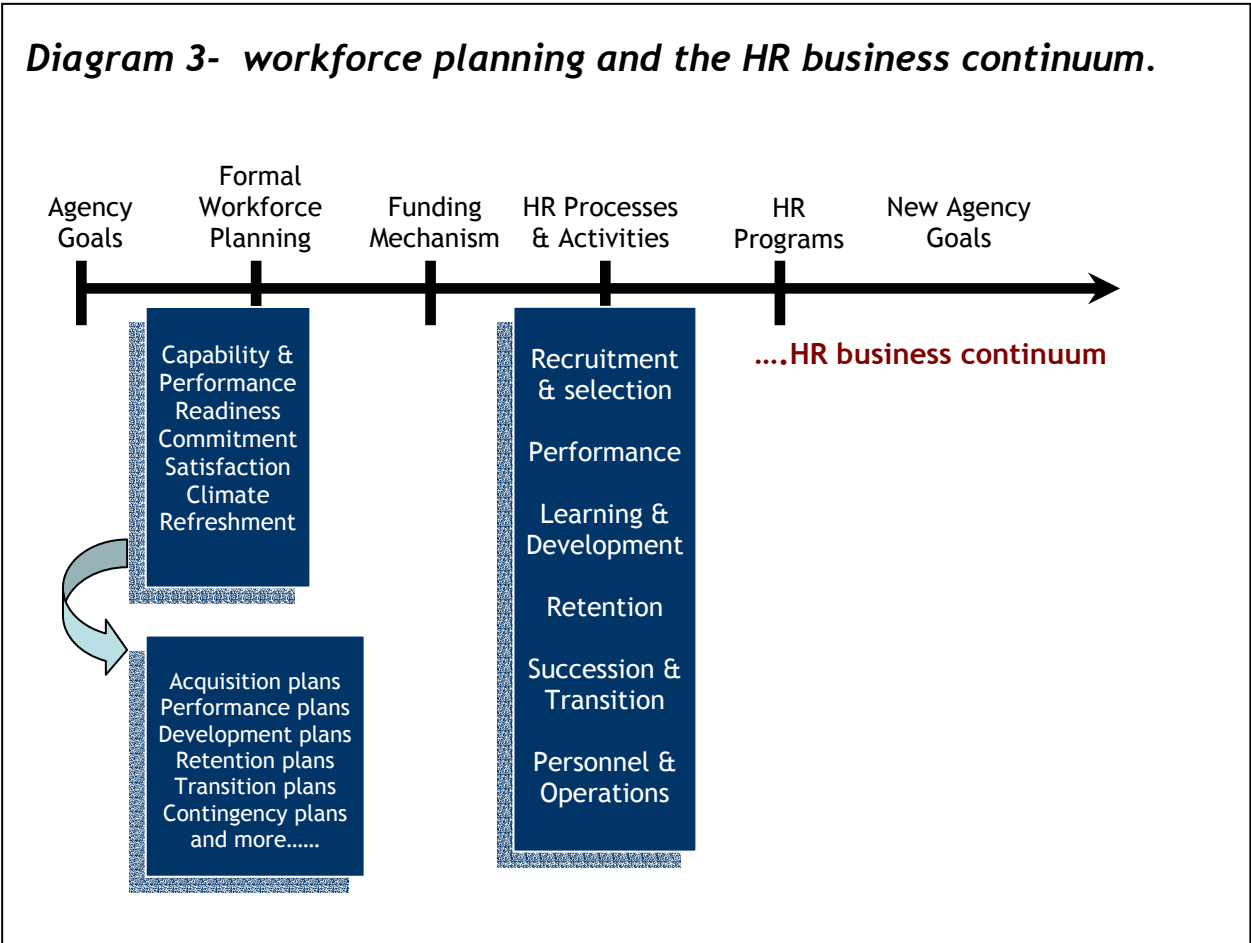


A “business unit perspective” is one which sees workforce planning as a function of, and carried out within business units, ideally within the course of the unit’s normal business planning cycle. Here the workforce planner provides agency data and planning information to business units, who then develop their own plans. The workforce planner then rolls up and aggregates business unit plans and co-ordinates common strategies which would have application across several business units. The workforce planner operating under this perspective would largely be *co-ordinating, consulting and advising*.

Again, both perspectives do often operate simultaneously especially within large agencies. Yet both approaches demand very different workforce planning skills, infrastructure and resources. For example, a business unit approach would require that business units have workforce planning templates and other tools to aid their planning and that planners have a relatively sophisticated way of aggregating needs and rolling up plans so that common workforce strategies can be well coordinated and managed across the agency.

These perspectives are important in so far as they influence how workforce planning is carried out on the ground. There is obviously no one right way and the challenge as always, is for agencies to apply what’s most appropriate to their circumstance.

**When does workforce planning occur?**



As a general guide, workforce planning should typically take place in conjunction with or soon after, the agency’s business planning activities. Diagram 3 presents this idea as a point along the HR business continuum. Conducting workforce planning at this stage of the HR business continuum will enable:

- Clarity of organisational outcomes and outputs
- Clarity of organisational need
- Clarity of workforce planning intent
- Sharper alignment between organisational outcomes and workforce plans
- Relevant and appropriate workforce plans; and
- More accurate estimation of funding required for the implementation of the plans.

The development of specific workforce plans covering the spectrum of HR activities are the initial outputs of the workforce planning endeavor. However when complemented with costing calculations, cost benefit analyses and return on investment calculations, these plans become robust business cases for recommended workforce strategies. Business cases therefore, are the primary and most important concrete outputs of workforce planning action and serve to inform and guide downstream HR processes and activities.

**A planning sequence**

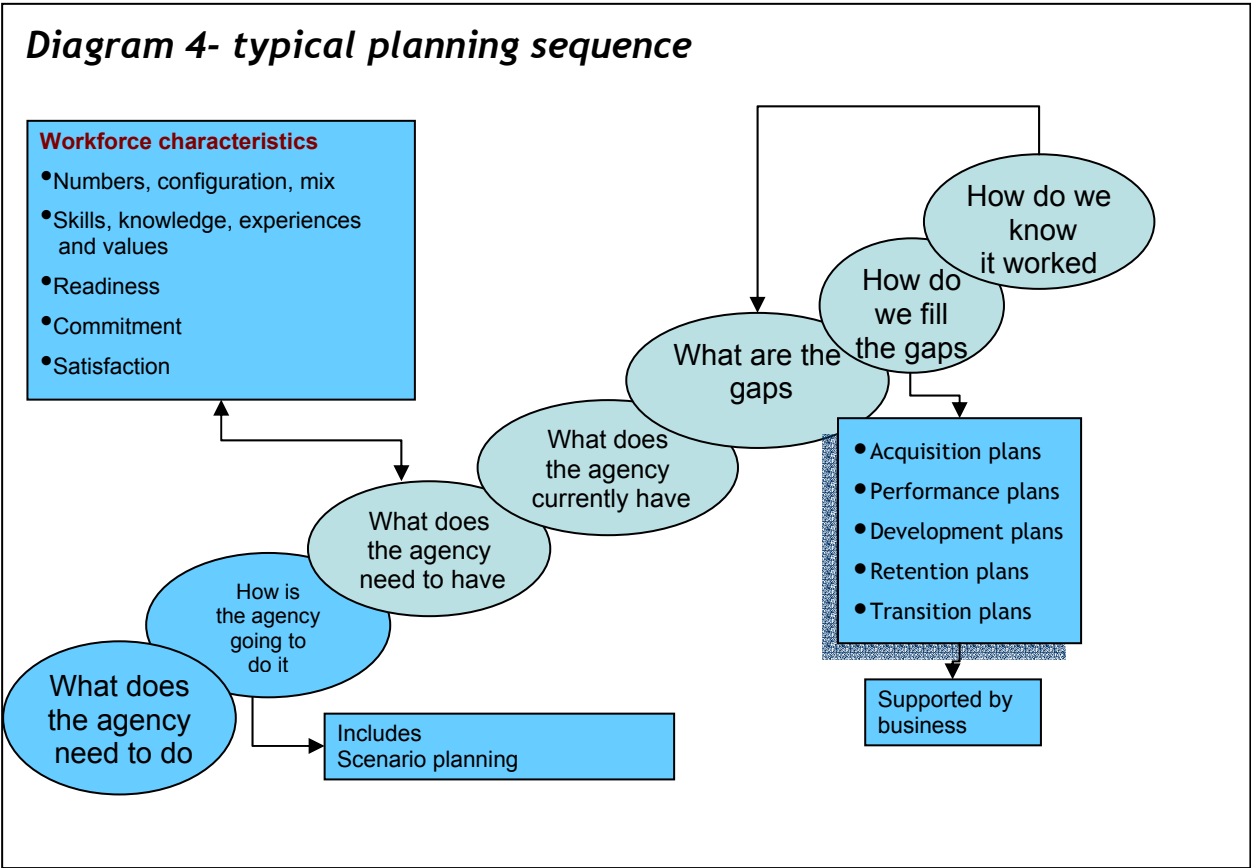


Diagram 4 depicts a typical workforce planning sequence framed as a sequence of simple but strategic questions. Within this sequence there are two key points worth considering:

1. *Scenario planning*: there is a school of thought within the workforce planning community which suggests that scenario planning is a key feature of workforce planning. However, it's probably more useful to consider scenario planning a business planning activity rather than a workforce planning activity. The general purpose of scenario planning is to identify possible and probable scenarios which could affect the entire agency and not just its workforce. In other words, scenario planning will have more value to the agency as a whole if it is done as part of the business planning cycle rather than as a subset of workforce planning. Indeed, scenario planning done at the business planning stage will result in input for subsequent workforce planning and will therefore necessitate and obtain a workforce planning response. This will mean that the workforce planning response will be in tune with scenarios generated at the agency level.
2. *How do we know if workforce plans worked?* Measuring the effectiveness of any workforce plan is challenging at the best of times given the multitude of direct and indirect variables which can impact on the implementation of plans. Yet if plans are well conceived, they should address specific workforce gaps such as employee capability, employee commitment, staffing numbers etc. Measuring if these gaps have been filled as a result of workforce plans then becomes the basic practical task in evaluating the effectiveness of workforce plans. For example, if the intention of the agency development plan was to develop specific skills, then measuring whether or not those skills were indeed developed would tell if the plans were effective.

## Some suggested planning inputs for Transformational Workforce planning

For workforce planners embarking on transformational workforce planning tasks, the following planning metrics might be useful in identifying relevant *workforce features* or characteristics. These could become the basic workforce information building blocks for the development of strategies and programs to re-shape the workforce to deliver on new or changing agency outcomes or ways of doing business.

- *Workforce ability level*: % of key employees who have met ability standards (however defined by the agency)
- *Workforce readiness level*: % of key positions with at least one fully qualified person ready (to take over)
- *Workforce commitment level*: % of employees expecting to stay at least 3 years
- *Workforce satisfaction level*: % of employees scoring in the top quartile in the agency job satisfaction survey or % of employees who say they are "most satisfied"

- *Corporate Climate*: % of employees who indicate concern with culture and climate
- *Workforce depletion rate and cost*: voluntary separations as a % of on-going headcount and cost of separations.

## Some concluding thoughts

The practice of workforce planning is potentially the key mechanism through which HR can demonstrate its contribution to the performance of the agency in delivering its outputs in a direct and visible way. By being closely linked and aligned with business planning activities, workforce planning becomes a strategic but practical business activity providing useful guidance for HR related activities. This becomes even more important for agencies which have heavy regional or devolved responsibilities where the presence of a flexible but robust framework will be useful in facilitating organisational relevance and alignment for devolved HR related activity.

Finally it is perhaps useful to consider workforce planning a creative process as much as it is a rigorous business activity. Developing innovative and imaginative HR strategies and programs which the APS Act 1999 potentially allows, can result in workforces which are not only effective, but more importantly, are satisfied, committed and engaged.

*Andrew is a Director with Yellow Edge Pty Ltd. an organisation formed to provide innovative solutions to Government. This is an extract of a presentation delivered to a forum hosted by Institute of Public Administration Australia. ©Yellow Edge Pty Ltd. 2002.*