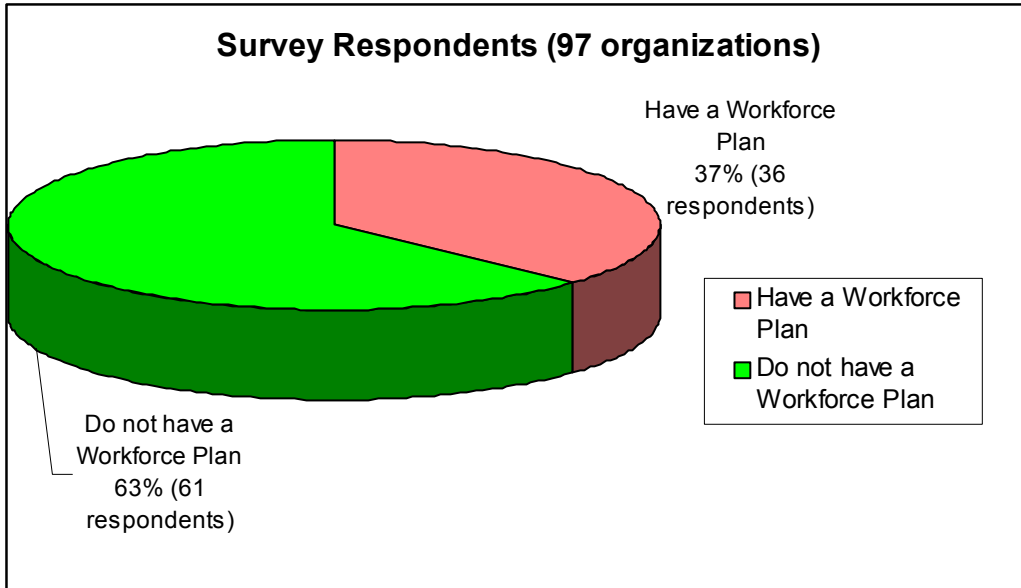
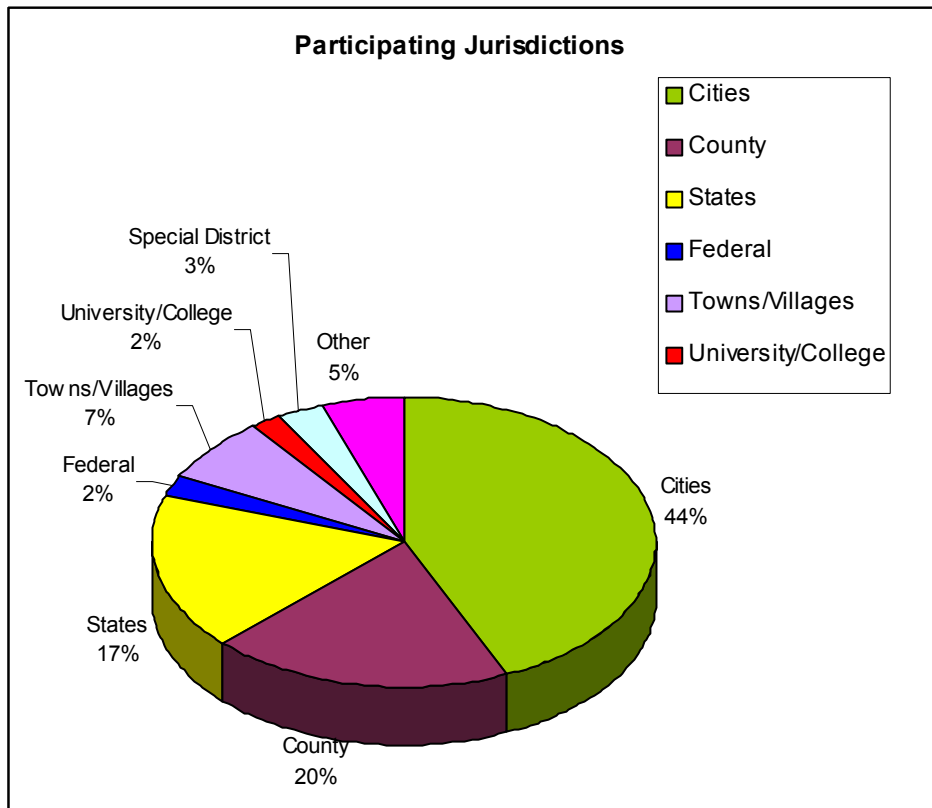


## Workforce Planning Not A Common Practice, IPMA-HR Study Finds

In a recent survey of IPMA-HR members in January, 2004 on their Workforce Planning activities, of the 97 people who responded, out of a population of 5,700 members, only 36 respondents (37%) indicated they have a workforce planning process—i.e. a process which includes defining staffing requirements (both staffing levels and competencies), identifying current staff availability, projecting future staff availability, and calculating specific differences between staffing supply and demand. Sixty-one respondents (63%) indicated they did not have a workforce planning process in place.



## Participating Jurisdictions



In an effort to explain the low response rate to the survey, a random sample of the 359 members who responded to the demographics section of the survey, but did not respond to the workforce planning questions, were contacted via telephone. They explained that they did not have a workforce plan or process in place, so did not respond to the Workforce Planning Survey Section.

These findings are really not surprising when reviewed in light of other studies in both the private and public sector. The U.S General Accounting office in two reports: *High-Risk Series: An Update, GAO-01-263* (January 2001,) and *High Risk Series: An Update, GAO-03-119* (January 2003), identified strategic human capital management as a government wide high risk area after finding that the lack of attention to strategic human capital management had created a risk to the federal government’s ability to serve the American public effectively. In addition, a poll conducted by the Society of Human Resource Management (SHRM) in December 2003, in which respondents were asked at what levels their organizations had succession plans in place, an astonishing 60.5 percent responded that “We do not have any succession plans.”

The results of the IPMA-HR survey clearly indicate strategic workforce planning is still a relatively new concept/practice for many of the organizations. Of those who indicated they *did* have a workforce plan in place, the majority (21%) had a plan developed less than two years ago. Nine percent had a plan developed between 2 to 5 years ago, and only 6 % had a plan in place for more than five years.

This was further highlighted when respondents were asked to indicate the status regarding the

development of their workforce plan (i.e. a product that the organization uses to identify and address the staffing implications of its organization strategies and plans.) Respondents indicated:

- We currently have a work plan - 21.6 %
- We are in the process of developing a plan - 18.6 %
- We are planning on developing a plan - 26.8%
- We have no immediate plans to develop a plan - 30.9 %

Those agencies that indicated they were in the process of developing a workforce plan were in varied stages of development. For some there was no definitive timeframe, while some indicated by June-July, 2004, by 2005 or within the year. A few agencies indicated that they were in very early stages of development; and are hopeful by late spring of 2005 they will have developed a workforce plan. For those who indicated they plan on developing a workforce plan in the future, the responses were similar, and ranged from: work will begin in 2-3 months; within the next 6 months; 1-2 years; 2005; hopefully in the next year; indefinite time frame; to, it is still in the discussion phase.

For those who responded that they have NO immediate plans to develop a workforce plan, the responses are interesting and a bit alarming in light of current trends---the increasing challenge for agencies to deploy the right skills in the right places; agencies faced with a growing number of employees who are eligible for retirement and are finding it difficult to fill certain mission-critical jobs; rapidly evolving technology; and the dramatic shifts in the age and composition of the overall population which can exacerbate the problem.

Some of the reasons cited by those with no immediate plans to develop a workforce plan were:

- This has not been a priority with City management to date.
- Our firm is small and we only hire senior seasoned HR professionals.
- It's not that it would not be great to have one, but we just don't have the staff to create one at this time.
- It is not considered a high profile concern of management.
- Time and manpower availability.
- Developing a workforce plan has not been viewed as a pressing issue. We have always "gotten by" with dealing with replacements or backfilling as the need arises. We are facing huge budget shortfalls imposed upon us by our State's inability to balance the budget.
- With the exception of a few specialized positions, staffing vacant positions is not difficult. We are focusing on the development of leaders for future key positions.
- The City manager is currently looking at a Strategic Plan including performance measures and benchmarking for the entire City first and all our attention has been to work on that.
- As an organization, we are currently occupied with staff reductions and a budget crisis.
- Due to our small size we have not done this in a formal way in the past from what I can tell, but we are growing, and I can see a need for a more formal program to handle our continued growth.
- The HR function has provided a proposal for Workforce Planning to the Executive Staff for their consideration, but it was never approved for HR to proceed with developing anything. We are planning to re-submit a proposal in the near future.

- Over the past decade, it has not been difficult for the City to find qualified pools to fill most of the City's positions. However, we realize that this will change as the local and regional demographics change, so we are considering succession planning.
- Due to budget restrictions we cannot plan for the future at this time.
- There have been other fires to put out, first. Top management has not seen the need for any assessment.
- Normal recruitment/retention efforts are expected to maintain effective workforce.

**Workforce planning process' alignment with organization strategic plan**

For those agencies with a workforce planning process, 39% indicated that their process was aligned with their organization's strategic plan, while only 6 % said it was not aligned. However, 13% percent of the agencies whose workforce planning process was not currently aligned with their organization's strategic plan said it would be aligned in the future.

In addition, 40 percent indicated that their workforce planning process was aligned with their organization's budget process, while 18 percent said it was not aligned to the budget process.

**Workforce planning staff size**

The full time equivalent staffing of workforce planning operations tend to range from:

- 0-1 - for 20 percent of the respondents
- 2-10 - for 31 percent of the respondents
- 11-25 - for 2 percent of the respondents, and
- 51 or more - for 5 percent of the respondents

**Workforce plan elements**

Respondents, who had a workforce plan in place, indicated the following elements were or will be included in their plan. Respondents were asked to select all elements that applied:

<b>Workforce Plan Elements</b>	<b>Percentage</b>
Training and development	50.5 %
Recruitment	49.5 %
Classification	48.5%
Competencies	48.5 %
Selection and staffing	48.5%
Succession Planning	46.4%
Diversity	44.3%
Internal forecasting (estimates internal supply and demand; labor costs; growth rates; organizational efficiency and revenue)	42.3%

<b>Workforce Plan Elements</b>	<b>Percentage</b>
Retention	40.2%
Compensation	38.1%
External forecasting - Forecasts of industry and other external supply and demand trends; competitor assessment (i.e. compensation and benefits surveys)	30.9%
Performance	29.9%
Skill Gap Analysis	27.8%
Detailed Statistical Demographics	23.7%
Benefits	23.7%
Work/life Issues	19.6%
Reporting	17.5%
Redeployment	15.5%
Budgeting	1%

### **Workforce planning automated systems**

Respondents indicated the use of various automated systems in their workforce planning process. The use of an agency database was most frequently cited.

- Agency database – **34%**
- Commercial database (e.g. Peoplesoft, MS Access, SAP, Oracle) - **18.6%**
- Other type of systems being used (development of own software, PRISM Statewide Payroll and Human Resources System (SPAHRIS)).
- Mississippi Executive Resource Library and Information Network
- (MERLIN); Submitting surveys to other localities; The Commonwealth of Virginia's database– **5.2 %**

Also, twenty one percent (21 %) indicated their workforce planning system is part of an integrated human resource management system (HRIS). Thirty six percent (36%) said workforce planning is not part of an integrated human resource management system (HRIS).

## New programs/strategies implemented as a result of workforce planning analysis

<b>Programs/Strategies</b>	<b>Percentage (%)</b>
Recruitment	24.7
Retention	18.6
Competencies	14.4
Reduction in Force (RIF)	10.3
Early Retirement	9.3
Improved Benefits	8.2
Redeployment Programs	7.2
Privatization	5.2
HR Development Programs	1.0
Downsizing/Rightsizing	1.0

Other programs indicated by respondents were: development of career paths; pay/salary study; reorganizations and furloughs; succession planning; training assessment and skills gap mitigation.

When asked if their organization is taking any steps to transfer knowledge from its experienced workers to less experienced workers, 45 percent said “Yes” and 20 percent said “No”. The steps being taken by those who are attempting to transfer knowledge, include:

- Written procedures where possible and train various staff in different departments as a back up to critical functions.
- Implementation of various strategies such as mentoring, on-the-job training, job shadowing, job previews, and promotional readiness evaluations.
- Allowing double fill of some positions temporarily, creating specialized positions that will move into highly specialized professional positions after being mentored.
- Central HR staff working with County departments to build career paths and ladders that provide training to current county workforce, in order to prepare for upcoming retirements. Also, the County is embarking on the development of a succession plan.
- Company-wide leadership/management and skills training programs.
- Creating and updating desk manuals on a regular basis identifying job functions; mentoring through identification of employees eligible to fill key positions within the organization; cross-training.
- Cross training, internships, mentoring, and delegation of key projects.
- Developed a training program in knowledge transfer tools and techniques for agency managers. Agencies are using these as appropriate for their environment. The information is also available on the workforce and succession management Website that is supported.
- Developing communities of practice, central repositories for long-term employee knowledge before retirement, and other similar initiatives.
- Documentation of current processes; documentation of historical data; training; mentoring.
- Every employee has a trained “back-up” person.
- Identification of cross-training opportunities, promotional opportunities, special project opportunities and re-assignment opportunities
- Knowledge management is a new concept to the organization and is done informally. We are in

the process of tapping into developing more thorough programs/processes around knowledge management. Existing programs include supervisory training.

- Knowledge transfer occurs in a variety of forms, such as formalized on-the-job training, informal and formal mentoring relationships, documentation of policies and procedures, and in select agencies through knowledge management programs.
- Identification training courses for future advancement.
- Overlap with new hires and retirees. Return of retirees for special projects and assistance. Improved documentation of systems and procedures. Debriefing of departing employees to gain insight into their institutional knowledge.
- Person-to-person knowledge transfer on an individual basis and through programs offered by the Human Resource Development Institute. The Institute, a division of the centralized State Department of Personnel, offers a variety of training programs and seminars.
- Serving as mentors, trainers, coming back after retirement and working alongside less experienced employees.
- Skill Gap analysis, evaluation of potential retirements and taking steps to transfer that knowledge to those interested. Providing training to employees related to knowledge needed. Mentoring.
- Succession planning programs developed and implemented by line agencies.
- Succession planning. Mentoring. Hiring replacement employees while employee is still working.
- The County is beginning to create a generic plan that agencies can follow to develop a department-specific Succession Plan, which will include KSA-gap analysis and practices to overcome.
- Use of senior experienced workers as mentors to newer employees, use of ISO process to document procedures for employees to use, use of project management plans, quality assurance plans, after action reviews and lessons learned to transfer knowledge.
- The creation of a Knowledge Management Committee that has developed some recommendations to capture organizational knowledge.
- The development of focus group meetings to inform employees and encourage their participation.

### **Barriers preventing production of complete and timely workforce plans**

It is important to note the barriers respondents indicated that is preventing organizations from producing complete and timely workforce plans. The U.S. General Accounting Office in its December, 2003 report on *Effective Strategic Workforce Planning* – GAO-04-39 identified numerous lessons and strategies that can help agencies successfully implement strategic workforce plans based on the human capital experiences of leading organizations. These lessons and strategies include – ensuring that top management sets the overall direction and goals of workforce planning; involve employees and other stakeholders in developing and implementing future workforce strategies; establish a communication strategy to create shared expectations, promote transparency, and report progress; educate managers and employees on the availability and use of flexibilities; streamline and improve administrative processes; and build transparency and accountability into the system.

In the IPMA-HR survey, the following barriers to producing complete and timely workforce plans, were cited by respondents:

**Barriers to production of complete and timely workforce plans**

<b>Barriers</b>	<b>Percentage</b>
Preoccupation with short-term activities	39.2%
Insufficient staffing to work on this	34%
Lack of funding	25.8%
Lack of executive support	18%
Restrictive merit system rules on hiring, etc.	13.4%
Insufficient marketing effort	6.2%
Lack of executive support	14.4%
Lack of confidence in planning techniques	6.2%
Insufficient marketing effort	2.1%
Resistance to change	1%

Other barriers cited by respondents, included:

- Agencies’ uncertainty of what to do. There is no current overall mandate to conduct workforce planning, although it is encouraged by the Governor’s Office. There is no alignment with the budget process.
- Change in administration has put a halt on any the process.
- Fiscal constraints to support new initiatives.
- Focus on short term needs and results due to use of annual, individual performance objectives for senior executives and bi-annual rotation of commanders.
- There is support from the Mayor, but certain department heads refuse to believe they could structure their departments differently or lose any employees.
- Plans are completed too late to be useful.
- We have not yet implemented workforce planning formally. A potential barrier would be lack of resources dedicated to workforce planning efforts.
- We have received funds for HR initiatives linked to WP, but more funding would enable more comprehensive programs.

**Succession Planning**

It is interesting to note that of the 97 respondents to the workforce planning survey, 39 percent of the organizations are actively involved in succession planning, but 40 percent are not. Twenty people did not respond to that item. Thirty-two percent (32%) indicated that succession planning was part of their workforce plan, while 8 % said it was not part of their workforce plan.

**Benefits or positive outcomes realized by organizations as a result of their workforce planning process**

For those organizations that have a workforce planning process, there have been some positive outcomes as a result. Benefits described by some agencies include:

- A raised awareness of the eminent mass retirements resulting from the baby boom generation. Organized thoughts and procedures via a flexible system that was well received. Development of a program and instructional materials for line-department staff.
- A heightened level of importance of the workforce planning function by the newly created workforce planning office at the central HR level that is dedicated to assisting agencies with the workforce planning process.
- A leadership academy has been initiated to prepare future leaders.
- Ability to see where retirements are happening and planning for those. Also seeing what efficiencies can be found by restructuring departments, taking advantage of vacancies; and successful redeployment of displaced employees.
- Anecdotally, departments that have engaged in workforce planning efforts have found themselves prepared to deal with large-scale retirements and turnover in their workforce, as well as a reminder of the value and utility in making sound job-related selections.
- Has assisted in retention when employees realize management is interested in their career advancement and training necessary to achieve their career goals. Enables management to better forecast budgets and tie staffing and competencies with strategic planning.
- A thorough look at recruitment/staffing processes inside of HR. However, the workforce plan was recently implemented, so tangible outcomes have not yet been seen.
- Budget and vacancy management planning.
- Demand areas have been identified. Reallocation of workforce has occurred in some areas. Awareness at the executive level for workforce planning is increasing.
- Employees (top to bottom) are held accountable for their actions and each person sees how their actions affect the other. The process is set up to reflect goals and points for accomplishing specific goals.