

Workforce planning for public sector organisations: What it is and overcoming the barriers

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Contents

1. Overview	3
2. Key and fundamental issues	4
3. A model for workforce planning	5
4. Barriers to workforce planning	5
5. Additional Common Pitfalls.....	7
6. How to overcome the barriers.....	7
6.1 Effective Leadership (Ensuring the important that's not urgent).....	8
6.2 Analysis	8
7. Leveraging Existing Data.....	9
7.1 Recycling Job Evaluation Data.....	9
8. Tackling the detail	9
8.1 Managers.....	9
8.2 Employees	10
8.3 Results.....	10
9. Project Management	11
10. Six ways that Ways HR Consulting can help you with workforce planning	11
11. Conclusion	11

1. Overview

Whilst workforce planning is on many organisations' agendas there is often some confusion about the concept and what demands are being made on HR who are increasingly are being tasked with this as a responsibility. While workforce planning is actively being discussed, it is not always implemented because of some very clear barriers which need to be overcome.



A definition of workforce planning involves achieving:

- the right people
- with the right skills
- in the right place
- at the right time
- for the right cost.

It has existed as a concept for some time though most of the academic and professional literature has to be made relevant to the current financial climate.

2. Key and fundamental issues

Workforce planning should have the following features:

- **Integrated**

Workforce planning needs to be included in an organisation's strategy and planning. It must also be aligned with budgeting frameworks. If a budget is the financial expression of a plan, then a workforce plan can be regarded as the equivalent people expression of a plan. In planning, an organisation must consider its goals and objectives. HR should be fully involved in the process to successfully achieve workforce planning.

- **Based on a clear analysis**

By definition, workforce planning implies an analytical and proactive process as opposed to an impressionistic one. Analysis can be both quantitative and qualitative, but should examine the detail and overview of an organisation. It should also involve both the current situation within an organisation and consideration of the future requirements.

- **Contingency based**

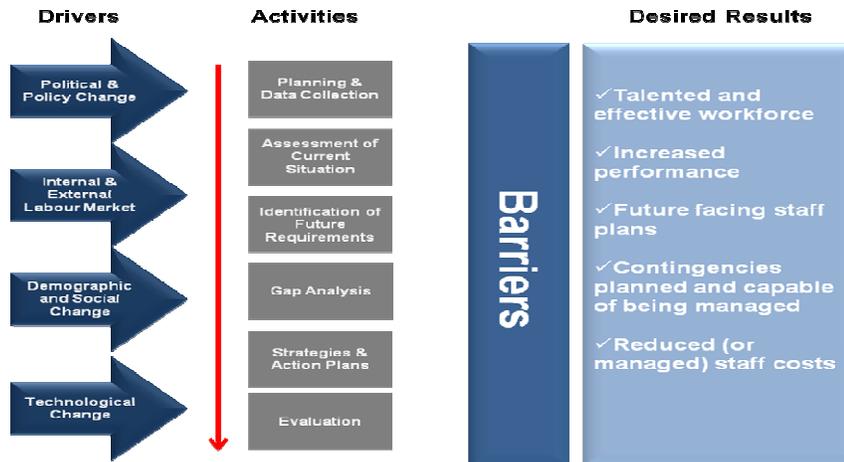
Any plan must be future-facing and relevant to all opportunities and challenges that may arise. There must be contingencies factored in to enable a flexible approach to the present and future states of the organisation.

Workforce planning and financial savings

Workforce planning has been formerly associated with growth, modernisation and possible talent shortfalls. It is now becoming synonymous with delivering financial savings and potential streamlining. Public sector organisations in particular, but also many in the private sector, have to address workforce planning in a recession environment. This has the danger of distorting a full and thorough process meaning an organisation may not achieve all the benefits of workforce planning. However, there are also opportunities to use the savings agenda to modernise the workforce akin to best practice.

3. A model for workforce planning

The following diagram provides a brief description of the process generally followed during a workforce planning exercise.



4. Barriers to workforce planning

There are a number of barriers to workforce planning and only by overcoming them can it change from a concept considered to be good practice to an operational reality.

- **Scale and complexity of the organisation**
 - Public sector organisations are large. They employ thousands of people across several functions, with very different strategies and plans.
 - Decision making processes are complex with multiple stakeholders and layers of decision making.
- **Data availability and data management**
 - Formal job information is often inadequate.
 - Talent/Capability data is also limited or unavailable. Any information will usually be basic head count numbers or role types. There are not necessarily talent indicators within each role.
 - Cost data is dominant but of limited sophistication.
 - HR information systems are inadequate or fragmented.

NB – The points concerning data availability are highly generalised and do not take into account the organisations who have made major investment in this area. However, through our experience of pay modelling (i.e. equal value compliance/single

status pay) we are aware of the challenges that other organisations face.

- **Capability and experience of the task**
 - Most of the recent focus in the public sector during the last 10 years has been on performance issues, modernisation and issues of equal value and single status pay. There has been a period of relative investment and stability.
 - Current HR professionals may not have the “battle scars” from working through previous major public expenditure cuts and redundancy programmes.
- **Multiple change initiatives and priorities**
 - Workforce planning is one of a number of tasks on the HR professional’s agenda.
 - Most organisations dealing with workforce planning are also simultaneously juggling modernisation, business transformation and new objectives/ways of working.
 - The complexity of managing multiple change initiatives and identifying priorities is a major challenge.
 - It is also important that in the current financial climate that talent is retained.
- **HR’s ability to influence priorities**
 - HR might have “a seat at the table” when planning is being undertaken but are unable to synchronise thinking with the leadership process.
- **Challenging decision making context for strategy and planning**
 - The complexity of the organisation in terms of how it manifests the complexity of the leadership (i.e. integration of political and executive leadership; multiple internal and external stakeholders; dominance of financial processes).
 - Many public sector organisations have found it a challenge to define a strategic and planned basis for how they move forward.

- **Clarity of task**
 - Some HR professionals are unsure what the organisation’s assumptions and expectations of any workforce planning task are.
 - With all areas of performance clarity of goals and task is extremely important for success.
- **Resistance when seen as “solely cutting”**
 - This can mean resistance from the HR professionals leading the exercise, but also from the managers who are asked to work in partnership with them.
 - It is not an attractive task and people will be defensive and also very protective of any prior/ongoing organisational developments they have made or are making.

5. Additional Common Pitfalls

- A lack of overall vision and analysis often leads to piecemeal and fragmented planning.
- An over emphasis on “pragmatism” can lead to workforce reductions having a disproportionate impact on an organisation’s capability to meet future requirements.
- When organisations are looking for volunteers to take redundancy they need to be aware that the desired talent is often those who are:
 - Most mobile.
 - Most risk taking.
 - Most experienced.
- Linked to the above is having an overly short term perspective and forgetting the “demographic time bomb”. The shortage of talent will still be an issue for the overall labour market in this country.
- Short term savings can lead to long term costs.

6. How to overcome the barriers

Organisations may require assistance in six key areas:

- Supporting and enabling leadership.
- Analysing and defining work.
- Leveraging of new and existing data.

- Structure, steer and alignment of the detailed and devolved component activities.
- Project management.
- Support and guidance to participants (i.e. managers and staff members).

6.1 Effective Leadership (Ensuring the important that's not urgent)

Management attention is often concerned with dealing with what's urgent but not necessarily what's important. Leadership needs to:

- Be planned and coordinated.
- Create and communicate a vision with associated clarity on activities.
- Be proactive and strategic.
- Review all planning priorities.
- Build workforce planning into other existing planning and change initiatives.
- Recognise the overall plan is likely to be a "mosaic".

In practice, workforce planning is not usually controlled centrally by any one executive leadership approach. However, the individual activities which are devolved need to be part of a clear picture or plan to build up the mosaic of workforce planning.

Organisations can address this issue by bringing in independent consultants to facilitate strategy planning workshops with HR and the Leadership, to coordinate and develop these linkages.

6.2 Analysis

HR need to:

- Identify future requirements in terms of best/worst case scenarios and test those assumptions.
- Leverage the results of mass job analysis beyond pay and grading. One of the opportunities for organisations who have been working on pay and grading in terms of single status and equal value pay is the ability to do organisational analysis. This means looking at levels of work, patterns of how accountabilities change and patterns of how capability, in terms of technical and managerial roles, change in the organisation.

- Organisations should consider the benefits of introducing job families. The creation of generic role profiles simplifies jobs for planning purposes. One of the dangers of mass job evaluation is that you don't see the overall patterns of work nor the key changes in levels of responsibility. Creating the generics allows the development of building blocks for analysis and new structures. Using job families helps achieve equal value compliance as well.
- Pay modelling can be adapted and developed to work modelling. Levering cost modelling structures to also look at the work which is described in those costs can help to examine levels of work moving forward.
- Build data from current or new approaches in performance and capability management/appraisal. There is some very smart technology available which enables organisations to collect this data and utilise it for planning purposes.

7. Leveraging Existing Data

There is a lot of data available but it is less often made useful for planning purposes. Opportunities do however exist...

7.1 Recycling Job Evaluation Data

The multiple job evaluation factor scores an organisation is likely to have can create an overall picture of how jobs currently operate and how they could change. These scores can be reworked to provide organisational analysis to help with workforce planning. Reworking those scores can show where more qualitative structural analysis is needed:

- Are there too many levels?
- Why are there gaps?
- What are those gaps?
- Types of levels and gaps?
 - Re-examination of job hierarchy/structures
 - Experts or managers

8. Tackling the detail

8.1 Managers

Managers need to be involved at all stages of workforce planning. Their influence is crucial when collecting usable data which would otherwise be unavailable.

A qualitative approach needs to be undertaken to understand what employees' skills, capabilities, competencies, performance and career goals are. This kind of data is not usually captured by an organisation but is critical for making the right decisions and completing good workforce planning.

The method must be consistent, fair, transparent and policy compliant. Managers need to understand and analyse the other workforce planning data that can be provided:

- Understanding the internal and external drivers.
- Where do they need to change and develop their service areas?
- What business do they need to change?

A full contextual awareness of the above is vital in order for managers to decide what skills and capabilities are required in staff to successfully achieve organisational goals. Subsequently, plans and strategies must be agreed to ensure the right workforce is attained.

Managers also need to manage any changes that result from these planning activities. In today's economic climate this can involve managing the headcount reductions, addressing the needs of both "stayers" and "leavers", and managing redeployment and outplacement. All of this needs to be done while maintaining employee morale and engagement and delivering on organisational requirements.

In reality many managers may not have this capacity and/or experience. Supporting and equipping managers through workforce planning is vital for its success.

This may be achieved through training and advising on the workforce planning process and methodology. Using independent consultants can help you see the bigger picture so that you achieve full participation in the exercise.

8.2 Employees

It is especially important to engage employees from the beginning, providing training and helping them to understand and articulate their skills and competencies. As a result they feel in more control of their future even if decisions are seen as undesirable.

8.3 Results

By having this type of support, managers benefit by feeling more confident when making decisions. They will be better prepared to deliver their services and more effectively deploy, recruit or develop the team skills they need to meet future business requirements.

Employees benefit by having the opportunity to inform their managers about their skills and interests and very importantly to suggest creative ways of managing change. Many managers are unaware of some of the skills, competencies and experience that their employees possess. This is a huge benefit in terms of redeployment.

9. Project Management

Project management is a key success factor in ensuring a fair and consistent approach to workforce planning. In the early stages the management team needs to agree the following:

- What are the objectives?
- How will they be achieved?
- What methodologies will be used?
- What are the key roles and responsibilities?

These need to be agreed and communicated so that people are very clear about what needs to be done and how.

Workforce planning will be a composite activity and the various strands will need to be carefully integrated and coordinated.

10. Six ways that Ways HR Consulting can help you with workforce planning

1. Facilitating the development of integrated strategy.
2. Specialist assistance in defining work and structures for effective workforce analysis and planning future staff deployment.
3. Data management and modelling.
4. Enabling the detail of devolved planning.
5. Training and development interventions
 - a. HR
 - b. Leadership
 - c. Line managers.
6. Assessing talent and capability.

11. Conclusion

Workforce planning is a clear analysis of current situations and future requirements – it should be an integrated approach and a clear part of your organisation's overall strategies and plans.

It allows your organisation to consider future pressures and plan effective solutions: for people development; financial and change management.

Some thought must also be given to any recent developments in Employment Law which might affect the process of workforce planning. It is important for employees to be treated fairly to avoid any accusations of liability. Ways HR Consulting has partnered with Weightmans Solicitors who can provide further information on the legal and contractual issues arising from workforce planning.

To discuss any of the issues raised in this document in more detail, please contact:

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