Planning for the Workforce of the Future

a better practice guide for managers
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1. INTRODUCTION

The Australian Public Service (APS) is operating in a changing environment. Alternative methods of service delivery—specifically outsourcing, the development of public sector networks and partnerships, and greater use of information communications and technology—are impacting on the nature of work. As well, the growing market-based delivery of public services has seen an increase in participation by the private sector. APS agencies are having to organise their work differently to be able to respond to customer needs and government expectations in this new service delivery environment.

These factors are changing the demands and expectations placed on the public sector. Many agencies are under pressure to ensure they have access to people that will enable them to deliver quality, timely and cost-effective services to the public. This presents a significant challenge to managers. Successful agencies recognise that a high performing workforce is essential to meeting business goals—after all, it is the employees of the agency who deliver the services and accomplish program objectives. Ensuring that the best people are placed in all positions, focusing on the current and future business directions and goals, and building corporate capability by capitalising on the diversity of employee skills and adapting work practices to help workers respond to the changing demands, will all contribute to the long-term success of any agency. Workforce planning is a crucial element of this approach and in contributing to successful achievement of agency goals and objectives.

WHAT IS WORKFORCE PLANNING?

Workforce planning, human resource (HR) planning, strategic human resource planning, or even manpower planning—the phrases are often used interchangeably—is a continuous process of shaping the workforce to ensure that it is capable of delivering organisational objectives now and in the future. An integral part of workforce planning is the development and implementation of policies and practices to enhance the effectiveness of the workforce. Workforce planning also seeks to reconcile an individual employee’s career and lifestyle goals with those of the organisation.

This guide focuses on the desired outcomes of workforce planning—that is, its effective integration into an agency’s strategic planning framework and the alignment of human resource strategies to continuously deliver the right people in the right place at the right time to achieve successful business outcomes. The right people are those with the skills and other attributes, including commitment, necessary to do the work required.
WHY SHOULD YOU GIVE ATTENTION TO WORKFORCE PLANNING?

Changing APS environment

Many of the reforms that have been taking place in the APS are focussed on achieving a highly performing and responsive public service. Emphasis has been placed on the provision of less costly, more tailored—or better directed—and higher quality services to the Australian public. The APS has been steadily moving towards:

- greater contestability of services;
- the outsourcing of functions which the private sector can undertake more efficiently;
- adapting or adopting private sector methods and techniques;
- an increased focus on citizens as clients;
- an accent on continuous improvement to achieve better performance in an environment of devolved authority and greater management flexibility;
- greater use of information communications and technology to assist in the implementation and delivery of public services;
- a greater orientation towards managing outcomes and outputs, rather than just administrative process; and
- direct participation by the private sector in providing public services, sometimes in full competition with the public sector. Even areas where the public sector has traditionally held a monopoly, such as the provision of policy advice, are increasingly open to competition from the private sector.

Alternative methods of service delivery often require agencies to organise their work differently to be able to respond positively to various stakeholder needs. Agencies are also focussing attention on different skill requirements—people with knowledge and expertise in areas such as financial management, information technology and contract management are in high demand in almost all agencies.

Workforce planning can assist agencies anticipate the staffing and skill requirements of the changing environment. This is essential if the public sector is to adequately meet the demands placed upon it. Many APS agencies are already taking action to shape their future workforces to enable them to be confident that they can continue to meet their business challenges in the medium to longer-term. The case studies in this guide are drawn from the experience of some of these agencies. These case studies indicate that there is generally no single ‘best practice’ but a range of better practices designed to suit the environment and strategic intent of particular agencies.
APS workforce trends

The changing demands and expectations of the APS, together with external factors, have seen considerable changes occurring in the composition of the APS. Agencies need to take account of these trends, and of any changes to their own business, to determine the potential impact on their ability to continue delivering their business outcomes efficiently and effectively. The availability of current and accurate workforce data at both the Service-wide and agency level is essential in making this assessment. Appropriate workforce planning initiatives can then be implemented to actively manage any identified workforce issues.

APS Workforce Trends

A ‘greying’ APS

- The median age of the public service is 41 and is expected to continue rising—at June 2000, the highest proportion of staff were aged 40-44. In 1991, the median age was 36 years.
- New entrants into the APS are now considerably older—in 1999-2000 the median age was 32 years.
- The percentage of employees under 35 years has declined, with a significant fall in the number of employees under 25 years—the number of young people employed decreased from around 15,500 at June 1991 to approximately 4,200 at June 2000.

Length of service profile

- The median length of service is ten years—the proportion of ongoing staff with 10 or more year’s experience increased to 51 per cent in 2000.

Gender balance

- Women now comprise almost 50 per cent of ongoing staff—54 per cent of the APS levels; 33 per cent of the executive levels; and 26 per cent of the SES.

Appointments and separations

- More people joined the APS than left it during 1999-2000—this may indicate a reversal of the steady decline in APS staffing numbers over the last decade. The upturn in appointments may reflect the fact that agencies are recruiting people with the skills required to deliver business outcomes in the new environment.
- Resignations as a proportion of separations have increased to 44 per cent and have replaced retrenchments as the major cause of separations—retrenchments as a percentage of overall separations decreased from 63 per cent in 1998-1999 to 35 per cent in 1999-2000. The increase in resignations may be the result of an improving labour market as general unemployment declines and as employees resign to take up work with outsourced providers.
External factors

The changing nature of the APS is as much a reaction to a myriad of external market factors as it is to government decisions on the role and functions of the public sector. One of the results of the ongoing public sector reforms is that the APS has become less self-sufficient. It is no longer a closed labour market and is directly influenced by changes in the broader business community. It is therefore important for APS managers to have a sound knowledge and understanding of relevant external factors contributing to the changing business and workforce environment.

External factors contributing to the changing business and workforce environment

- Increased competition, globalisation and technological advances, such as electronic service delivery.
- Labour market trends—higher participation rates, fewer job vacancies, increasing casualisation of employment.
- Changing community demographics, particularly the ageing population, which will impact on the type of services in demand.
- Rising educational levels, leading to greater expectations of increased income and improved working conditions.
- The ongoing increase in the participation of women in the workforce and changing lifestyles/family structures, which have contributed to the demand for more flexible working arrangements.
- Changing workforce behaviour, attitudes and expectations such as increased mobility and reduced long term commitment to one employer (so called ‘Generations X and Y’).
- Shift in emphasis from hierarchically managed organisations to leaner, flatter ones, often with greater spans of control.
- Flexible remuneration packages tailored to individual needs, which are becoming increasingly desirable and sought after.
- An increase in the number of jobs that fall into the knowledge work category.
- Ever increasing expectations of improved service delivery by clients.

These external trends pose significant challenges to organisations intending to recruit and retain highly performing staff, especially since competition between employers for high quality and skilled people is increasing. Given the changes in the broader labour market, there is no longer competition for talented people just between APS agencies but is now also being experienced between the APS and the broader public and private sectors. The challenge is for agencies to compete with the private sector to ensure the specific skills and expertise required are retained in the APS. If the APS is not able to successfully recruit and retain key staff, this is likely to impact adversely on its ability to deliver key government outcomes.
WHAT ARE THE BENEFITS OF WORKFORCE PLANNING?

Workforce planning can help agencies to deliver better business outcomes by:

- **strengthening organisational capability to support the achievement of business outputs and outcomes now and in the future.** If an organisation is not able to successfully recruit and retain highly performing people for a reasonable period with the required skills and expertise, this is likely to put at risk attainment of its business objectives. Making workforce planning an integral part of an agency’s strategic planning processes establishes a direct link between business outputs and outcomes and the people required to achieve them;

- **encouraging an understanding of the organisation’s workforce profile, based on an analysis of rigorous workforce data.** Workforce planning assists an agency to identify the demographics and capabilities of the existing workforce, as well as what is required in its desired future workforce. Based on this analysis, an agency can invest in appropriate short and longer-term (or revise existing) HR policies and practices to maximise the capacity of the existing workforce and shape its desired workforce. Without a good understanding of the workforce’s characteristics, an agency’s HR strategies will be less effective in improving individual and overall agency capability and performance;

- **facilitating rapid and strategic responses to change.** Planning in a strategic way for a range of possible futures can mean that agencies are in a better position to respond quickly to changing circumstances. Quality workforce information (an output of workforce planning) can assist managers to assess to what extent the capabilities of the existing workforce can achieve the changed business objectives, and what HR strategies need to be put in place to shape the workforce for the future. Inability to respond effectively to change can impact on future productivity and confidence in the agency;

- **assisting in the identification and management of people with the knowledge critical for effective and efficient business operations.** HR strategies can be used to effectively capture and share/transfer individual and organisational knowledge; identify knowledge gaps; and improve an agency’s capacity to capture critical knowledge in a high turnover environment. The maintenance of corporate memory is essential. However, in a changing environment not all previous corporate knowledge is relevant. There is a considerable cost associated with the loss of intellectual capital and it can impact markedly on the efficient and effective delivery of government programs and services, at least in the short to medium term; and

- **providing a mechanism for directly linking expenditure on people to business outputs and outcomes.** People related expenditure is often the most significant proportion of agency expenses. As a result, the costs associated with turnover, replacement and retraining are considerable. Strategic workforce planning can help agencies make resourcing decisions to ensure that the investment is targeted in the appropriate way to achieve a value-added workforce. The ‘right’ workforce mix can help an agency to deliver quality business outcomes in the most cost-effective way. If HR strategies are not fully aligned with business objectives, there is the potential for an agency’s investment in its people to be less cost effective than planned.
2. HOW IS EFFECTIVE WORKFORCE PLANNING ACHIEVED?

There is a range of approaches to workforce planning. One size does not fit all circumstances. Each agency should identify the elements best suited to its particular environment and tailor its approach to workforce planning accordingly. Figure 1 illustrates the overarching principles for effective workforce planning embodied in this guide. These principles are intended to help agencies as they seek to develop an approach to workforce planning which is best suited to the management and culture of the agency and the activities it undertakes.

Section 4 of the guide contains a checklist which is designed to assist agencies assess the strengths and weaknesses of their current workforce planning framework. It may also be used to assist the establishment of an effective process for those agencies in the early stages of workforce planning.

The guide uses case studies to illustrate the approaches to workforce planning taken by various APS agencies. Those aspects of the latter’s approach directly relevant to the key principles of effective workforce planning discussed in this guide are included throughout the text. A brief description of each agency and an outline of their overall approach to workforce planning are included in the appendices.
Workforce planning should not be undertaken in isolation from other management responsibilities. Workforce planning is most effective when it is fully integrated into a sound corporate governance framework and considered as an integral part of the broader business planning cycle. Workforce considerations should be reflected in, and influenced by, the organisation’s vision and values.
External factors

As we have seen, the APS is directly influenced by changes in the broader environment. Those external factors contributing to the changing business and workforce environment outlined earlier in this guide, as well as the APS workforce trends, need to be taken into account in any workforce planning exercise. Such an approach can provide valuable contextual information for management.

The following case study illustrates an approach an agency may take when considering its broader operating context. In this example, internal business drivers were also taken into account.

CASE STUDY – Department of Family and Community Services

Analysing external and internal drivers

**Background.** The Department of Family and Community Services (FaCS) decided to focus on the major shifts facing the organisation in developing a workforce planning framework and undertook a broad environmental scan to identify the factors shaping its internal and external environment.

**Environmental scan.** The scan focused on the following questions:

- what forces are shaping FaCS’ environment?
- what future business challenges are facing the department?
- what are the implications of partnerships on the way we do business?
- what is the impact of the changing nature of work?
- what are the issues surrounding people capabilities in the department?

**Project team.** To address these questions, a project team:

- conducted internal interviews with branch heads about the evolving business challenges over the next two-three years;
- conducted external interviews with companies who were considered to be able to comment on the changing nature of work – organisations interviewed were from a cross-section of industries such as a Chamber of Commerce, consultancy firms, a computer games company, and a senior public service executive;
- undertook original research/literature search on the changing nature of work, the impact on work of Generation X and baby boomers, and the current and future role of partnerships in delivering business objectives and its impact on work practices;
- organised presentations from external experts from the community and welfare sectors and leading futurists, one of whom also acted as an external adviser to the project team; and
- analysed the responses to an employee survey, which was focused on the ‘health’ of the organisation and was undertaken to provide a benchmark against which to determine whether improvements have been made.
Strategic integration

Achieving a high-performance workforce is a significant focus of the strategic thinking and planning activities throughout successful organisations. The integration of workforce issues into a corporate governance framework, including the strategic planning processes, is a key element in making this happen.

An effective corporate governance system involves the integration and alignment of all of an organisation’s key functions, such as service delivery and management of finance, information systems and human resources. It also allows informed judgements to be made on possible risks to the performance of the organisation and the optimal use of an organisation’s resources, including its people, to help manage the risks identified and to deliver required business outcomes.

It is essential that workforce planning is integrated into the broader strategic planning processes to provide a framework in which managers can work more effectively together to achieve the required workforce mix. Although the importance of adopting an integrated approach to strategic planning is generally recognised, there have been a number of reasons that workforce issues have not always been considered as part of the broader planning process such as the following:

- managers being confident that the necessary people could always be recruited from the market place if internal staffing falls short of needs;
- corporate planners tending to focus on the financial and program management aspects of the business; and
- HR professionals not being well informed regarding business planning processes and not being able to make the necessary links between human resource planning and broader business strategic planning.

An integrated planning and governance framework can assist an organisation to:

- recognise that strategic people management is essential to the agency’s ability to deliver its business outcomes effectively;
- establish a formal structure for relationships between the strategic business partners, for example, program, finance and HR managers;
- identify key HR performance indicators; and
- provide a mechanism for agency-wide feedback, evaluation and review.

The following case study illustrates an approach an agency may take to facilitate the strategic integration of human resource management and workforce planning with broader business planning and corporate governance arrangements.
CASE STUDY – ACT Department of Urban Services

Human Resources Board

Background. Issues relating to human resource management, including workforce planning, are incorporated into the Department of Urban Services’ corporate governance framework through the Human Resources (HR) Board. The HR Board is a sub-committee of the Urban Services’ Board of Management. The operating framework for the HR Board was revised in late 2000 to conform with the new corporate governance framework established in the department.

Roles and responsibilities. The HR Board is concerned with strategic and across department HR issues. It is not concerned with day-to-day human resource management at the business unit level unless there is a broader strategic imperative or a demonstration effect arising from the local issue, or the local issue is likely to compromise, or have flow on effects to, the broader Urban Service’s environment.

The role of the HR Board is to:

- ensure that human resource management policies, programs, procedures and practices support the strategic business directions of Urban Services;
- monitor HR performance, organisational health and emerging HR risk issues across Urban Services;
- identify HR priority issues each year and sponsor concerted effort in staff awareness, policy development and program implementation to address them;
- act as a steering committee for important HR projects, programs and policy development eg. remuneration strategy; injury prevention and management strategies; staff development;
- act as a decision making body for across department HR policies and business rules; and
- endorse the HR contribution to corporate documents such as the annual report and corporate plan.

Membership. The Board is chaired by the Executive Director Corporate and comprises four or five senior executives (including two members of the Board of Management) invited to participate by the Chief Executive; the HR manager; a representative of the Managers Reference Group; and others as required.

Frequency of meetings. The HR Board meets a minimum of five times a year, approximately every two months. The Board meets out of session if necessary and project or working groups are nominated as required.
Vision and values

The APS Values, along with an organisation's vision and values, are an integral part of the strategic direction of the organisation and provide the basis for the development of its specific culture and workplace philosophy. The vision and values also provide a framework for workforce planning activities.

In the public sector, an agency’s core business—its most fundamental reason for existence—is determined by government. As well, all APS agencies have a legal obligation to abide by the APS Values that are outlined in the Public Service Act 1999. The APS Values describe the unique public features of the APS—the attributes that, collectively, differentiate the Service from other enterprises.

Agencies have some flexibility in defining their own vision and values. A vision can give the agency direction and provides the tangible goal-oriented aspects of the organisation whereas values drive culture, behaviour and performance. Some agencies may wish to adopt their own values and standards to reflect and support the way in which their particular organisation functions. Others may choose to articulate and adopt standards and aspirational behaviours, such as service excellence and innovation, which they consider to be essential to achieving organisational coherence and performance.

The vision and values:

- provide the standard for assessing the appropriateness of everything the agency does, including the recruitment and management of its workforce;
- help create a stable framework in which business and human resource strategies and practices can be developed and adapted; and
- provide a means of conveying the expectations of the employer to staff at all levels in the organisation, its partners, clients and other stakeholders as well as current and prospective consultants and contractors.

The following case study illustrates one agency’s approach to developing its vision and organisational values.
CASE STUDY – Attorney-General’s Department

Vision and organisational values

**Vision.** The Attorney-General’s Department (AGD) developed its vision, or enduring purpose, through scenario planning techniques. The department’s vision is: “achieving a just and secure society”.

**Values and behaviours.** To support this vision, the department adopted a set of organisational values and associated behaviours, which were developed in consultation with employees. A reference group comprising a representative from all divisions developed a set of values and behaviours for the department as a whole. Focus groups were then conducted across the department to seek staff input. The values and behaviours were revised to reflect this input, and are as follows:

**Client focus.** We provide our clients with service of the highest standard which fully meets needs and is proactive, timely, comprehensive and professional.

**Cooperation.** We work together and with others in an open and supportive way to achieve shared goals.

**Creativity.** We continually examine the way we do our work and we encourage innovation to find better ways to achieve our goals.

**Diversity.** We respect and value each other and the different perspectives and qualities people bring to their work.

**Integrity.** We are honest, fair, ethical and trustworthy in all our activities and take responsibility for our actions.

**Leadership.** We endeavour to inspire and encourage others to show initiative and to empower them to achieve quality outcomes.

**Learning.** We actively create, seek and share knowledge and information in our work.

IDENTIFY YOUR FUTURE BUSINESS DIRECTION AND WORKFORCE NEEDS

**Identify future business direction**

Successful organisations have a good understanding of their future business direction and workforce needs, both agency-wide and at business unit level. This enables them to make effective decisions today to attract, develop and retain the appropriate workforce to meet future business objectives and other imperatives.
It is recognised that it is difficult to plan with a high degree of certainty for the future, especially in a rapidly changing environment. Although it is impossible to accurately predict what will happen, it is possible to be well prepared or ‘future ready’. As the pace of change increases, it is suggested that organisations need to focus on their preparedness for the future and to build necessary flexibility into their planning processes to cope with the demands of a changing environment.

There are three inter-related themes that can impact on an organisation's preparedness for the future:

• **strategic intent**: what is the strength and understanding of the organisational vision; its values; strategy and linkages to budgets; and resource allocation?

• **people**: what is their commitment, expertise and willingness to innovate and take risks; their customer focus; adherence to values; and their focus on strategy, and agency outputs and outcomes?

• **process/systems**: what procedural relevance and flexibility exists; how effective is Information Technology (IT) support; what process re-engineering opportunities exist; and how robust and supportive are the management systems?

What tools or techniques an agency uses to prepare itself for the future will depend on the particular characteristics of the agency and the nature of its business.

**APS Futures Forum**

The Public Service and Merit Protection Commission (PSMPC) has sponsored the establishment of a forum within the APS for people interested in the analysis of the future and the creation of future strategy. It is intended that the forum will:

• inform members of developments in futures methodologies (such as scenario planning, Delphi and other expert opinion surveys, futures modelling);

• allow members who have used particular methodologies to share lessons learnt;

• sponsor training in futures techniques;

• share the output of futures exercises; and

• establish a network of people within the APS with futures expertise who might be able to assist in the conduct of futures work for other departments.
One of the more commonly used ‘futures’ methodologies in the APS is the development of scenarios—that is, stories about possible futures. This approach is preferred because of its ability to capture a range of possibilities or visions, unlike traditional forecasting, which only considers one version of the future. Forecasting makes predictions based on an organisation’s past performance or previous trends, whereas scenario planning acknowledges that the future is unpredictable and takes an organisation’s uncertainty about the future into account. It has been suggested that the development of scenarios is particularly suited to public sector settings because of its scope and its deliberate recognition of discontinuities. Scenarios are not intended to predict the future, they are designed to help decision-makers deal with an uncertain environment and ensure they are better positioned to cope with the unexpected.

The development of a range of possible future scenarios can be particularly useful for:

- challenging assumptions;
- planning in environments where there is a high degree of uncertainty;
- working through the implications of discontinuities, such as a change of Minister and machinery of government changes;
- identifying possible gaps between the current and future organisation—for example, how technology might affect the delivery of functions and services in the future and the implications for future skills requirements;
- looking at the impact of specific external factors on business outcomes, particularly where the organisation is in partnership with the private sector;
- creating a shared view within an organisation about the factors in the external environment that are important to the organisation;
- providing a broad overview of the organisation’s directions to help managers understand what is happening in relation to their business unit to help clarify the way forward; and
- enabling the organisation to be more nimble in responding to change.

Regardless of the futures methodology adopted, it is important to involve key internal and external stakeholders in any exercise to look at an agency’s future business directions. This can help:

- identify issues about the agency’s operating environment and its workforce that would not normally come to light;
- identify barriers to achieving outcomes and explore possible solutions;
- bring HR and line managers together to start to build the partnerships that are essential to the successful implementation of strategies to shape the future workforce;
- determine what support can be provided to employees as their roles and skill requirements change; and
- create a shared vision about what is important for the success of the agency.

The following case studies illustrate the approaches an agency might follow in identifying its future business direction.
CASE STUDY – Department of Family and Community Services

Scenarios focus

**Background.** The Department of Family and Community Services (FaCS) has used scenarios in strategic analysis since May 1998, when it was still the Department of Social Security, to help develop a Strategic Policy Framework. When FaCS was formed in October 1998 scenarios were used as a tool in defining business directions for the organisation. The department developed a set of scenarios focused around possible changes to the policy environment five years into the future. From this, a range of strategies emerged that were then incorporated into the FaCS strategic plan. Thinking rigorously about the future is now an ongoing function in the department. The scenarios were modified in the workforce planning project and used as tools to enable assessment of what capability the organisation needed into the future to achieve its business outcomes.

**Key steps.** FaCS adopted a large scale, consultative approach to developing the scenarios. The key steps included:

- mapping existing views of the department’s policy environment;
- exploring the views expressed about the policy environment through group discussions, focusing on particular themes, which were open to all staff;
- holding strategic conversations;
- developing scenarios of the policy environment;
- considering implications of scenarios;
- developing the Strategic Policy Framework; and
- debriefing participants and evaluating the process.

**Links to workforce planning.** The scenarios developed as part of this process were adapted for workforce planning and used to stretch thinking and challenge assumptions about how the department would respond if it found itself having to operate within those scenarios. In relation to workforce issues, the scenarios provided a tool for thinking about the workforce profile and the capabilities that FaCS needed to be ‘future ready’ at an organisational and individual level.

**Business partnership.** The scenario focus also provided a partnership opportunity for the People Development and Change Branch to work with the Strategic Policy and Analysis Branch to integrate workforce planning into the broader strategic business planning activities of the department. The need to establish links between workforce planning and strategic business planning has been clearly articulated and accepted.
CASE STUDY – Australian Government Solicitor

**Future business requirements**

**Background.** The Australian Government Solicitor (AGS) is using workforce planning to match people to future business needs.

**Scenarios focus.** AGS uses scenarios, having regard to its corporate plan and client information, to identify its future business requirements. Key senior managers participate in a group discussion focusing on the following broad questions:

- given what we know from the corporate plan, our environment scanning and so on, where do you see the business for your office being in two-three years time?
- what sort of people will be required for the business in the future?
- where will you get these people from?
- how will the office or offices be structured for ‘tomorrow’s’ business?

Individual follow-up meetings are held with several of the managers to further discuss issues specific to individual business units. From this exercise, a future business requirements discussion paper is developed which is sent to managers for validation.

**Identify future workforce needs**

As a result of undertaking an assessment of its future business direction, an agency should consider the numbers of employees and the type of skills those employees will need to meet future requirements. Understanding the skills mix and the impact of changing job roles in the workforce is as important as identifying the numbers required. This process is often referred to as ‘demand forecasting’ or ‘demand analysis’.

Identifying workforce needs involves not only an understanding of what work the agency will do in the future, but also how that work will be performed. Some questions to consider when assessing future workforce needs are what:

- skills, attributes, capabilities and/or behaviours are required to deliver business objectives;
- potential or actual budget constraints exist;
- potential impacts are possible from greater use of information and communications technology; and
- constraints or enablers are present in the environment in which the agency recruits.

The following case studies illustrate approaches that an agency might consider in identifying its future workforce needs.
Case Study – Attorney-General’s Department

**Future business directions and workforce capabilities**

**Background.** At a senior executive conference in 1998, the Attorney-General’s Department (AGD) decided that devising a practical approach to workforce planning and management, including future skills development, career management and succession planning was a critical task. Part of its approach was to undertake an assessment of the department’s capability and projected strategic direction over the next three to five years.

**Workshop.** A workshop comprising division/office heads was held in late 1998 to engage senior management in a discussion of future workforce needs and to identify the business drivers, capability requirements and risks for the department over the next three-five years.

The workshop examined the environment and organisational context in which the department is placed and listed a number of reasonable assumptions, and the likely implications, looking forward over the next three to five years. Participants were then asked to identify business drivers for AGD in this scenario, and to consider what capabilities the department will require of its people in the future.

**Key workforce requirements.** To expand on this analysis, and to focus it at division/program level, division heads were then asked to discuss the outcomes of the workshop with their staff and to consider what particular skills, knowledge and attributes would be required in the foreseeable future.
Workforce planning business vision

**Background.** The Australian Customs Service’s (Customs) Workforce Planning Project was initiated to produce integrated people management strategies focused on meeting current and future business demands.

**Vision and workforce requirements.** A small project team worked with the Executive and other senior staff to formulate a vision of Customs’ business and its workforce requirements in three to five years. This visioning process considered the impact of a range of change drivers on Customs’ business and on characteristics required within the workforce to sustain and improve organisational performance. Drivers included developments, trends and likely impacts in areas such as technology, networking, information access and management, and client expectations. The vision and identified workforce characteristics were validated through consultation with groups of senior officers and operational staff from across Customs.

**Organisational characteristics.** To continue to perform successfully, Customs must adopt an approach in which particular organisational characteristics are emphasised and enhanced. By focusing on these, Customs will be better able to effectively use its resources, respond to demands and strive for continuous improvement. The organisational characteristics—flexibility, exploiting technology, building alliances and partnerships (networks), information acquisition and management, external focus and integration—are discussed in more detail as follows:

**Flexibility.** Given the specific impacts of change on the organisation are very difficult to accurately predict, staff in particular must be able to adapt to changing conditions. A flexible approach is also required in the way staff are recruited and managed.

**Technology.** Since technology will impact on Customs at all levels, simultaneously driving and enabling change, Customs must develop the ability to continually monitor and assess the utility of emerging technology.

**Networks.** Alliances and partnerships facilitate compliance but also enhance information and intelligence flow. The transition to a network culture has begun in Customs and needs to continue to realise its full potential.

**Information acquisition and management.** Information is a strategic resource and effective management of it requires an integrated, strategic approach. It is important that staff have the analytical skills and business understanding necessary to quickly synthesise and exploit information resources.

**External focus.** Given the importance of Customs’ work, its clients and stakeholders will continue to have high expectations. As a result, the need to focus attention externally will continue to be important.

**Integration.** Customs is a geographically spread organisation with diverse activities. Organisational strategies and policies must be integrated and designed to achieve business objectives. This is particularly relevant to workforce policies.
Define and build organisational capability

Organisational or corporate capability relates to the capacity of an organisation to effectively meet business objectives. The factors that contribute to organisational capability include the organisational culture and values, business processes and management systems, work organisation and the capability of individual employees. The links between desired business outputs and outcomes and the agency’s required workforce capability need to be well defined and clearly articulated. This should also assist greater understanding and appreciation generally within the agency.

Successful organisations build organisational capability by identifying the staffing and skills requirements of the changing environment and future business directions. These organisations look beyond their existing workforce and take account of relevant variables and related trends when considering organisational capabilities for the future. The objectives of such an exercise include:

- identifying a set of capabilities considered by the organisation to be essential to improving performance and delivering future business outputs and outcomes and that are sufficiently robust to deal with the changing environment;
- establishing a framework for the development of appropriate HR strategies to ensure the organisation has access to the people with the desired capabilities; and
- promoting an understanding and awareness throughout the organisation about the agency’s capability requirements for the future.

Line managers and HR professionals should constantly seek to determine the capabilities necessary for business success. Although clear answers to these questions may not be readily forthcoming, they should routinely ask themselves, and each other, the following:7

- what capabilities will be required for the future success of the organisation?
- what capabilities currently exist within the organisation?
- how can we align capabilities with business strategies?
- how can we design HR practices to create the needed capabilities?
- how can we measure the accomplishment of needed capabilities?

Traditionally, APS agencies have placed greater emphasis on the development of individuals than on identifying future workforce needs and developing the capability of an agency as a whole.8 While it is necessary to have highly performing people with the desired skills, attributes and behaviours, a focus on enhancing those capabilities that support the overall goals and interests of the agency is as important as the competence of individual staff members. Such a focus could help ensure that capabilities are embedded in the practices, processes, systems, culture and technologies of the organisation and remain, despite the turnover of individuals.8
Agencies can build long-term organisational capability by clearly articulating current and future workforce needs, and investing strategically in the acquisition, deployment and retention of staff with the required capabilities. Other key areas that can contribute to an agency’s ability to build capability and help ensure it is embedded in the organisation include:

- **knowledge management** – effectively capturing knowledge in a form that people can access and understand, and sharing that knowledge so that other people can apply it to their tasks, is crucial;

- **performance management** – improving the way performance is managed can be achieved by developing a framework that integrates the elements of organisational, business and individual planning and performance. Effective performance management can involve clarifying performance objectives and linking these with organisational business plans; periodic performance appraisal of individuals or teams against the performance of these objectives; feedback from this appraisal; recognition or reward for performance; development to build capabilities; and counselling or other action to deal with poor performance;

- **career management** – adopting an integrated approach to managing careers which meets the needs of individual staff and builds the longer-term capability of agencies is an effective means of meeting future organisational skills needs;

- **learning and development** – the production of learning and development plans which are clearly linked to current and future workforce needs and which increase the emphasis on development opportunities in their broadest sense is an important strategy in further strengthening the performance of APS agencies.

The following case studies illustrate approaches the various agencies have taken to defining and building organisational capability.
CASE STUDY – Department of Family and Community Services

Capabilities focus

Background. For the department to be successful in achieving its business objectives, the Department of Family and Community Services (FaCS) saw a need to acquire a suite of organisational capabilities that would allow it to be effective now and prepared for the future.

Reference Group. A reference group was established to identify the organisational capabilities and values. The group was broadly representative and included key people with links back to the line areas. Members included representatives from the senior executive (deputy secretary, executive directors and branch heads), the state and territory offices, executive level staff and the HR team.

Organisational capabilities. FaCS’ organisational capabilities were identified as:

1. Is Strategic
   - Leads and inspires a sense of purpose and direction
   - Builds intellectual capital
   - Takes initiative
   - Acts on learning

2. Is Outcome and Future Focused
   - Is adaptive and responsive
   - Marshals professional expertise
   - Anticipates and implements change
   - Achieves intended results
   - Is flexible and innovative

3. Builds Effective Relationships
   - Nurtures internal and external relationships
   - Facilitates cooperation and partnerships
   - Is people focused
   - Makes connections between issues and people in/outside FaCS

4. Is Accountable
   - Applies public service professionalism and probity
   - Engages with risk
   - Accepts responsibility

5. Is Influential
   - Demonstrates environmental sensitivity
   - Analyses and interprets
   - Evaluates and monitors
   - Business approach respects the diversity of community needs and the range of providers
Elements of organisational capability. FaCS identified five factors that contribute to organisational capability—culture, mental models, business processes, work organisation and individual ability. These factors, as illustrated in Figure 2, provide the foundation for actions to develop and embed organisational capability.

Embedding the capabilities. The organisational capabilities will be embedded in the department through:

- organisational development strategies, at either the whole-of-organisation or business unit level;
- integrated and aligned people management strategies and processes; and
- the stimulus to individual performance.

Individual capabilities. To design people management strategies that will build organisational capability, FaCS also described the individual capabilities that complement the higher level organisational capabilities. The individual capabilities are expressed in behavioural terms and will underpin recruitment, learning and development, performance management and other people management strategies and processes.

Executive endorsement. The department’s ‘capability profile’, including both organisational and individual capabilities, has been endorsed by the senior management group.
CASE STUDY – Australian Customs Service

Workforce characteristics

**Background.** Through the development of a vision of the Australian Customs Service’s (Customs) business in the next three to five years, a number of generic workforce characteristics and specific technical and managerial capabilities have been identified. A workforce with these characteristics, and reflecting the cultural diversity of the community, is central to Customs’ ability to continue to meet the business challenges of the future.

**Purpose.** The workforce characteristics are prominent in project outcomes and form the basis of:

- recruitment screening and testing (including selection criteria);
- probationary and ongoing performance assessment and feedback; and
- core elements of an integrated Customs development program.

**Generic workforce characteristics.** The requirements are:

- high demonstrated standards of probity, ethics and accountability;
- a demonstrated orientation towards the achievement of goals, continuous improvement, and an understanding of client needs;
- an ability to be flexible and responsive, to anticipate, manage and cope with change and to deliver services with regard to risk management principles;
- an ability to effectively organise and plan; an understanding of organisational linkages and the business environment;
- an ability to exploit the full potential of available and emergent technology;
- an ability to access and use information and to think in an abstract and analytical manner;
- an ability to demonstrate sound interpersonal, communication and relationship building skills; and
- demonstrated leadership skills and potential.

In addition to the characteristics described above, a range of specific technical and managerial capabilities are required.

**Aligning policies and strategies.** Existing policies and strategies relating to recruitment and selection, training and development, assignment and performance management were then evaluated and refined in light of the vision and workforce characteristics. Small teams with a mix of HR and operational backgrounds were established to undertake this work. In developing new policies and strategies, teams researched and, where possible, incorporated better practice from within both the private and public sector.
CASE STUDY – Attorney-General’s Department

Generic capabilities

Background. To help ensure that the Attorney-General's Department (AGD) recruits and develops people who will support organisational values and help achieve its vision, the department developed a set of Generic Capabilities. These capabilities are based on the APS Senior Executive Leadership Capability Framework, are consistent with the APS Values and were developed through extensive consultation with the AGD Executive, managers and staff.

Purpose. The Generic Capabilities are designed to assist AGD managers and staff in discussion, planning and decision-making in relation to:

- recruitment and selection;
- people development, including career path planning;
- performance management; and
- workforce planning.

Generic Capabilities and indicators. The AGD Generic Capabilities describe five essential generic skill sets and apply to all positions, at all levels, throughout the department. Each Generic Capability includes a number of indicators which describe the type of skills and behaviours expected at each classification level when demonstrating the particular capability. The indicators are designed to help establish a consistent, shared understanding of the level of expectation in relation to each capability at each classification. Some indicators might not be applicable to a particular position because the nature or function of the job does not require or allow a particular behaviour to be demonstrated.

The Generic Capabilities are essential selection criteria for all AGD positions. They are:

- the ability to think strategically;
- the ability to achieve results;
- the ability to develop productive working relationships;
- demonstrated personal drive and integrity; and
- the ability to communicate effectively.

Position specific criteria. The Generic Capabilities are complemented by position specific criteria. The position specific criteria:

- relate to professional, technical and/or subject matter knowledge, experience and/or qualifications relevant to the position;
- should not overlap with skills/requirements covered by the Generic Capabilities;
- only be included where they are considered an essential or significant requirement of the position; and
- be classified as either essential or desirable criteria.
KNOW YOUR CURRENT WORKFORCE

Ideally, an agency should be able to produce a profile of its current workforce, including both workforce demographics and broad skills and capabilities. This profile, coupled with a knowledge and understanding of external labour market data, can be used to indicate factors and trends likely to influence the availability of the future desired workforce.

The workforce profile can provide a baseline against which future workforce changes can be analysed.

Develop a profile of the current workforce

Better practice suggests that, as a minimum, the current workforce profile should capture a range of key demographic information to instil rigour in the workforce planning process.

Key demographic information

- Name
- Commencement date
- Classification
- APS employment status (ongoing/non-ongoing)
- Business Unit/Group/Division
- Gender
- Age
- Workforce diversity information (ethnic origin/disability)
- Length of service (agency and APS)
- Type of separation/movement and date (if applicable)

The current workforce profile can then be used to estimate what the current workforce will look like in the future in the absence of direct management action—that is, the agency’s ‘projected’ workforce. This analysis can provide an indication of how many current employees are likely to retire, resign or transfer out of the agency over a given period based on previous trends. It does not take into account possible changes in business direction.

In working through this process, it is important to remember that workforce analysis is not an exact science. Calculations only provide an indication of what the workforce could look like in the future, based on a range of variables. If forecasting or projection techniques are used, numbers need to be considered in conjunction with other external and internal information for sound decision-making. The estimated changes to the workforce can establish a reasonably accurate one year’s forecast of available supply. However, changes projected for two or more years can be less reliable because an agency’s labour market conditions are generally less certain over that timeframe.
The following case studies illustrate approaches an agency might consider in developing a profile of its current workforce.

**CASE STUDY – Australian Government Solicitor**

**Workforce profiles**

**Approach.** Workforce profiles are developed for each Australian Government Solicitor (AGS) office based on data from three broad areas—people, office structure, and business. The types of data collected for each profile include:

- people—numbers, levels, turnover, leave usage, length at level, broad skills and capabilities;
- structure—organisation charts, team charts and supervisory arrangements; and
- business—clients and revenue.

**Key issues.** The workforce profiles were analysed to identify key issues for each office. This information is incorporated into the discussion paper outlining the office’s future business requirements.

**Organisational culture.** Data on the culture of each office will be gathered in the future to further add to the workforce profiles. Information on issues such as local norms, what behaviours are rewarded, and what motivates employees will be gathered through focus groups with a range of employees. This information will inform decisions about HR strategies to address any gaps so that any proposed strategies will either fit with, or help develop, an appropriate organisational culture.

**Lessons learnt.** Managers in each office are best placed to do workforce planning with assistance from the HR area.
CASE STUDY – ACT Department of Urban Services

Workforce 2005 Project – workforce planning study

Background. Three features of the Department of Urban Services’ staff profile—ageing workforce, low recruitment of young people and high turnover of young people—triggered the workforce planning study. The primary purpose of the study was to identify staff views on the HR implications of the age profile for Urban Services.

Focus groups. Urban Services’ approach was to convene nine focus groups from a cross section of staff randomly selected from each ten-year age cohort (that is, the 20-29 age group through to 60-69). Prior to attending, participants completed a questionnaire about what motivated them to come to work. Based on the questionnaire only, the top five motivators for focus group participants were:

- interesting work;
- job security;
- opportunity to learn new skills;
- variety of work; and
- opportunity to contribute to the good of the community.

Voices of Urban Services. After discussing this data, groups identified what aspect of working in Urban Services should be kept and what should be changed for the organisation to be successful in the future. The major themes from the focus groups were identified and written up as the voices of two composite characters for each age group outlining their views – these became the Voices of Urban Services. The focus groups were recalled three months later and Voices of Urban Services and priorities for action were discussed. The views expressed were representative of the different demographic cohorts.

Staff snapshot. A working party drawn from the focus group participants managed the next stage of the process—the Staff Snapshot Workshop and follow up action. The working party designed the workshop, produced a video I heard it on the Grapevine – Voices of Urban Services, analysed the results of the workshop and recommended follow up action. Seventy people attended the workshop and after viewing the video considered a number of questions in relation to issues which had been identified in the previous part of the process. Participant’s views on what Urban Services should be doing about these issues were also canvassed.
The discussion focused on seven key questions concerned with the:

- pros and cons of employing people under 20 years;
- desired workforce characteristics now and over the next five years and how to attract and retain the people required;
- meaning of ‘job security’ in the public sector;
- challenges and opportunities associated with the older workforce;
- impact of the loss of corporate knowledge;
- possible changes to the workplace over the next five years; and
- opportunities to learn new skills.

The focus groups and workshop data helped ensure the accuracy and validity of the information.

**Lessons learnt.** There are a number of key messages from Urban Services’ experience:

- workforce planning is concerned with skills and knowledge as well as the number of people;
- qualitative and quantitative data is critically important;
- understanding the motivation of staff will help identify required HR policy directions;
- stories and anecdotes are a powerful way of communicating workforce issues;
- it is important to involve staff in the process through both informal and formal structures;
- corporate conversation is a powerful way of raising awareness and making workforce planning part of the corporate culture; and
- different categories of professional groups will have different workforce issues which may require different strategies to address their needs.
Workforce capabilities

In addition to workforce demographics, information on workforce capabilities can assist agencies to determine whether the current workforce has the desired skills and capabilities to build organisational capability and enable the agency to meet its business objectives at the expected performance levels in the medium to longer-term. Assessing the skills and capabilities of existing staff members is particularly important where an agency has determined its future capability needs. This information provides a basis from which to determine ways of addressing any gaps.

In spite of these advantages, developing a capability profile of the current workforce has presented a significant challenge for APS agencies. One way of identifying the capabilities and/or skills of individual employees is to conduct a 'skills audit'. Although such audits can be useful in obtaining information on employees skills and qualifications at a particular point in time, they can be cumbersome and resource intensive to undertake and keep up-to-date.

Another approach is to integrate the assessment of individual employees’ capabilities with established performance management arrangements. The key organisational capabilities identified by the agency as being essential to delivering business outputs and outcomes now and in the future can provide a benchmark against which to compare the skills and capabilities of existing staff. This assessment can be undertaken as part of the individual’s performance assessment. Appropriate support, assistance and training/development opportunities can then be provided to maximise individual performance. This approach also provides a means of effectively aligning organisational and individual performance.

The following case studies illustrate some of the difficulties associated with identifying current workforce capabilities and the approaches agencies have taken to overcome these challenges.
CASE STUDY – Department of Family and Community Services

Assessing current workforce capability

Background. The Department of Family and Community Services (FaCS) placed particular emphasis on developing the capabilities required to deliver business outputs and outcomes now and in the future during the workforce planning project. This provided a framework against which to assess individual employees’ skills and capabilities.

Approach. FaCS had intended to undertake a gap analysis to measure the current strength of the capabilities against the desired strength. However, the project team was unable to find appropriate, cost effective tools to measure organisational capability. Instead effort was put into designing a capability profile for the whole organisation to provide the benchmark against which future development activities will be based. It is expected that the organisational capabilities will inform individual capabilities, the practices associated with performance management, and learning and development in particular, as well as the actions of individual staff members and managers.

For example, independently or in the context of the career development discussions associated with performance management systems, individual staff members may seek opportunities for mobility, coaching or development so that they can enhance current and future performance and their prospects for career advancement. In so doing, they will be initiating action to extend their range of capabilities for the benefit of the organisation.

CASE STUDY – Australian Government Solicitor

Issues surrounding skills audits

Approach. The Australian Government Solicitor (AGS) considered conducting a skills audit in each AGS office to identify the gap between the current skills profile and future business requirements. However, a skills audit was deemed not suitable for the organisation given the time and cost involved and because the information gained can become out-of-date very quickly.

Performance management. AGS intends to use the existing performance management system to enable an individual employee and their supervisors to compare the employee’s actual skills and capabilities against the skills and capabilities identified as being important to meet future business requirements. In addition to high level legal skills, the desired skills and capabilities include highly developed analytical, communication and people management skills. As part of the assessment process, strategies can be developed to help individual’s meet the identified requirements.
CASE STUDY – Department of Education, Training and Youth Affairs

Future skills requirements

Pilot Workforce Planning Project. In the first half of 2000, the Department of Education, Training and Youth Affairs (DETYA) piloted a workforce planning approach in a number of discrete business areas of the department. The aim of the pilot was to focus on a series of discussions to assess staffing numbers and skills needs for the short and long term. A template was used to capture each business area's future workforce needs. This information was broken down by classification level and cross-matched with relevant skills. Supporting the template, a skills inventory was provided which cross-matched with the DETYA organisational capabilities—understand, anticipate, create, influence and implement—and previously determined corporate learning priorities.

Lessons Learnt. Feedback from the pilot process was that the template was burdensome and tended to focus attention on micro-skill details rather than the strategic discussion about flexible workforce capability for the future. There was also a different understanding across the various business units as to what were specialist skills for the work area against what were general skills to enhance the organisational capability.

The pilot demonstrated that whilst there was a need to identify local skill needs; it was also important to document the strategic discussions relating to future needs to inform the Executive. The information would be analysed to provide direction for the Executive in relation to strategic recruitment, development and retention options.

Establish systems to access workforce data

Access to relevant data on workforce demographics and capabilities is a pre-requisite to effective workforce planning. It is recognised that many APS agencies are experiencing difficulties, or are currently limited in the extent to which they can collect and report accurate workforce information. Each agency should make its own assessment about whether its current information programs and systems are sufficiently reliable and rigorous to support strategic workforce planning. The extent to which an agency decides to invest in IT solutions to extract, manipulate and present data will depend on each individual agency’s requirements and capacity.

It should be noted that APS agencies are required to provide the key demographic information outlined earlier, along with other details such as educational qualifications, remuneration and workplace location, to the PSMPC as part of the data requirements for the APS Employment Database (APSED). Under the Public Service Act 1999, the Public Service Commissioner is required to report annually to Parliament on the State of the APS. Data from the APSED is an essential input to this reporting.

As a minimum, agencies should move towards:

- ensuring they have a well-structured program in place to collect high quality workforce data which directly supports workforce planning; and
- improving their capacity to use relevant existing data to establish agency workforce trends.
If an agency does not have access to sound workforce data, it is still possible to describe the current workforce by gathering information through consultation with line managers, staff interviews and/or focus groups.

A range of key quantitative and qualitative indicators based on those factors most affecting the workforce, and the latter’s behaviour, should provide the most meaningful and useful information for agency management. Collecting this data on an on-going basis would be more useful for workforce planning than relying on an isolated ‘snapshot’ of the data. Effective management of the information through the development of appropriate systems (or refinement of existing systems), as well as regular monitoring and reporting mechanisms, provides a sound basis for decision-making. Some agencies have found it very useful to incorporate workforce data into existing business reporting mechanisms to keep senior management up-to-date on workforce issues.

Increasingly, agencies are also seeing value in integrating data from a range of sources to assist managers with their business planning and day-to-day decision making. It is the integration of data and information from a range of sources, such as financial performance, client/key stakeholder feedback, and the broader external operating environment, as well as workforce data, that provides the most powerful tool for decision-makers.

The following case study illustrates an agency’s approach to improving its access to workforce data.

CASE STUDY – Department of Communications, Information Technology and the Arts

*Improving the foundations of workforce reporting*

**Background.** As part of its preparation for workforce planning, the Department of Communications, Information Technology and the Arts (DOCITA) identified the need to improve the foundations of workforce reporting in the department.

**Approach.** Improvements in workforce reporting are aimed at ensuring that the basic workforce statistical information from sources such as the HR management information system (Perspect) is reliable, and that qualitative information is available to allow analysis of workforce statistics. Perspect has been reviewed to ensure establishments are up to date and work has begun in conjunction with the Finance section of the department to introduce cost centres into Perspect reporting.

Information not previously used was required to undertake a gap analysis based on capability and to look at supply and demand trends. Better information on existing skills and skill requirements is also required. Input from the Business Planning process and managers on skill gaps and requirements is essential for workforce planning to deliver benefits to DOCITA. Implementation of exit interviews, research into the relevant parts of the labour market, comparison to APS and industry trends, feedback on monthly reports from managers and so on has been undertaken and is ongoing.
The identification of future workforce needs and the analysis of the current workforce profile are likely to identify issues and gaps that can be addressed by the agency to enable it to deliver its business outputs and outcomes efficiently and effectively. Such identification and analysis provide a guide as to where strategic HR intervention and investment can be best targeted. Each agency would benefit from the development or refinement of a set of readily available, specific HR policies and strategies tailored to address identified workforce issues. The policies and strategies should not only be integrated with each other but also be aligned with other relevant business processes and directly linked to the overall corporate/business plan.

An agency’s planning and workforce management requirements would be expected to include both:

- shorter-term initiatives that are effective in providing more immediate workforce solutions and which start to move an agency to its preferred position; and
- longer-term initiatives that provide a solid and credible foundation for any change in culture and/or in the agency’s approach and commitment to people management.

These initiatives are best ranked according to business priorities to ensure that effort is directed in a strategic manner.

Successful organisations position themselves to ensure that they always have access to people with the necessary skills and knowledge to deliver business outputs and outcomes. This includes maximising the use of the range of employment options that are now available. Pertinent issues for agencies to consider are whether elements of the desired workforce profile:

- currently exist in the agency and need to be retained for the future;
- have to be acquired by the agency, either through recruitment or use of external consultants or contractors; and
- can be developed in-house through succession planning, career management and/or better focused learning and development strategies.

Some combination of the above may be necessary to address immediate, medium and long-term requirements reflecting the practical difficulties of getting quick results in many situations, for example, simply because the required skills are not available.

Agencies can also utilise the new flexibilities introduced through changes to the legislative and policy framework governing APS employment matters to attract, hire, retain and reward good performers. The changing workplace relations arrangements governing the APS are aimed at enhancing the attractiveness of the Service—both to those in the broader public and private sectors and to existing employees. The reforms are also aimed at establishing more direct relationships between employers and employees at agency level in determining wages and employment conditions through collective agency-level certified agreements or individual Australian Workplace Agreements (AWAs). AWAs in particular provide an avenue to improve remuneration (and other employment considerations) for the purposes of attracting and retaining highly performing people, employees in critical business positions, and/or staff with particular knowledge and expertise.
It is important to recognise that workforce planning is only one means of improving an organisation’s ability to deliver its business outputs and outcomes. Broader management issues such as: more effective use of technology, more appropriate organisational structures and work organisation; and better management techniques and approaches, are also important considerations.

The following case study illustrates one approach an agency might follow in identifying and addressing its workforce issues.

CASE STUDY – Department of Education, Training and Youth Affairs

**Workforce plans**

**Background.** The workforce planning model adopted by the Department of Education, Training and Youth Affairs (DETYA) links consideration of workforce planning issues with both the business planning and performance management processes. Commencing in the 2001-2002 planning cycle, workforce plans are being developed at branch and state level as part of the business planning process. These plans are informed by the outcomes of career development and performance management discussions, and by the ways in which the work area will take into account the future needs relating to the organisational capabilities identified as part of the corporate plan as well as government outcomes. Workforce data such as turnover rates and age profiles also assist managers in workforce planning.

**People management decisions.** Workforce plans provide local business units with information on which to base people management decisions. Through the information gathered in these plans, DETYA Executive will engage in a discussion to confirm the organisation has the right mix of people and skills to support the implementation of business plans and corporate flexibility. The corporate executive will also agree on the key workforce issues and on people management initiatives to be implemented to support workforce needs at the corporate level.

Through the DETYA People Management Improvement Plans, key people management systems will be implemented corporately to support work areas address the current and future workforce needs. The key initiatives will be set by the corporate executive.
A picture of the current workforce is developed using information from Customs human resource information systems. Issues covered include classification, age, qualification, experience and tenure profiles, rates of separation and internal/external recruitment ratios. Senior managers review and discuss the information drawing links to corporate priorities and current or emerging workplace issues. From these discussions, workforce issues are identified and prioritised and broad level plans/strategies for recruitment, assignment and development are set.

Human resource advisory staff support the process and provide advice about the best use of HR policies and strategies to achieve identified outcomes. A significant element of the support process to date has been in establishing effective HR reporting and data analysis tools and validating HR data holdings. In recent times this process has been greatly simplified by advances in on-line analytical processing software and use of external providers with expertise in human resource information analysis and benchmarking.

The following case study illustrates the approach one agency has taken to developing strategies to ‘bridge the gap’.

**CASE STUDY – Attorney-General’s Department**

**Gap analysis and strategy development**

**Background.** Following a senior executive workshop, where the Attorney-General’s Department’s (AGD) future business directions and workforce capabilities were analysed, each division was asked to identify current and potential gaps in capability in relation to the desired skills, knowledge and attributes particular to their work areas. This included nominating where they were most at risk in relation to meeting workforce requirements, both currently and potentially, and suggesting strategies to be considered by the department in addressing these risks.

**Workforce planning strategy.** In analysing the results of this gap analysis, it was noted that the department must plan strategically to properly address its workforce planning and development needs. Such planning would provide AGD with flexibility in its workforce and the ability to identify skills across the department which might be deployed to flexible work teams. A number of concerns, constraints or risks were identified which needed to be taken into account in the development and maintenance of a workforce planning strategy. These concerns related to:

- the lack of an essential skill base;
- staff turnover and associated loss of corporate knowledge;
- the difficulty of attracting high quality lawyers which can be attributed to a lack of career opportunities and non-competitive terms and conditions;
- resistance to change;
- the retirement of a significant number of senior staff within short space of time;
- an increased emphasis on outsourcing as government policy;
- the lack of a strategic approach to career development; and
- the need for an effective performance management program.
Workforce plan. The analysis also indicated a number of key result areas to be included in the department’s workforce plan as follows:

- recruitment/marketing strategy;
- innovative approaches to gain access to expertise both external and internal, for example partnerships, strategic alliances, internal rotation and teamwork;
- succession planning;
- career/ professional development strategy. This includes targeted skills/knowledge development to meet organisational requirements, and career pathways;
- rewards and incentives; and
- knowledge and information management.

Strategy development. Four strategic areas of action were identified:

- develop a dynamic approach to identifying and planning for workforce requirements;
- enhance the department’s ability to attract highly qualified staff;
- develop and implement a formal strategy for the management of knowledge; and
- provide ongoing appropriate development for existing staff.

The Workforce Planning Strategy requires further development and consultation on a number of fronts, including workforce projections for 2000-2003. Action to progress the four strategic areas is well advanced.

Key elements. Three further elements of the workforce planning strategy—succession planning, recruitment, and people development—are considered critical to the department’s ability to address the identified current and potential gaps in capability. The department’s progress in addressing these issues is outlined below:

- an approach to succession planning has been developed, which gives divisions some responsibility for the process of systematically filling critical vacancies. This aims to support a strategic approach to planning, recruitment and staff development activities, and to link a range of human resource policies into the department’s corporate planning procedures;
- a graduate recruitment program was also commenced last year and is to continue; and
- a people development strategy has been developed and implemented to meet those training and development needs already identified as priorities.

The department’s Generic Capabilities will help ensure that AGD recruits and develops people who will support organisational values and help achieve its vision.
PROVIDE A SOUND BASIS FOR EFFECTIVE IMPLEMENTATION

There are a number of key principles that underpin the effective implementation of workforce planning initiatives.

Workforce planning is a continuous process. Key elements of the workforce planning process should be revisited as necessary in response to any changes in the internal and external operating environment.

Workforce planning is an investment in the future. Workforce planning requires a long-term commitment to make the organisational or workforce changes necessary to deliver successful outcomes. It enables an agency to plan for new skills and new knowledge needs. Workforce planning is likely to raise contentious issues, debunk myths and challenge the status quo. The analysis of workforce data can expose trouble spots and highlight deficiencies. How successful an agency is in moving towards its desired workforce will depend on the commitment of its leaders and communicators and the agency's receptivity to change.

Implementation of workforce planning will have resourcing implications. The level of investment an agency decides to make in workforce planning depends on that agency's particular environment, the risks it identifies and its commitment to improving performance. Managers should consider the costs and benefits when determining the appropriate level of investment—acknowledging that a commitment may be required to develop appropriate systems to support workforce planning. Sound workforce information is crucial to understanding the risks and benefits. Such an analysis should also take into account the opportunity costs of not implementing key initiatives—both short and long term implications should be considered.

It is important to have an integrated approach to workforce planning where all relevant planning documents are aligned. An integrated strategic planning approach provides the framework in which managers throughout the organisation can work more effectively together to achieve a workforce capable of delivering better business outputs and outcomes. An agency should ensure that:

- the corporate plan, business plan and other guiding documents demonstrate the agency's commitment to achieving business outcomes through better management of its workforce; and
- good use is made of specific HR plans, with these directly linked to the overall corporate plan.

Prime responsibility for workforce planning is shared by the agency head, line managers and human resource managers. All APS agencies are accountable for the efficient, effective and ethical nature of their operations. This includes the sound management of their workforces. Each manager's HR role and responsibilities should be clearly defined at the outset for a more effective outcome and for accountability purposes. Workforce planning is more successful in those agencies where the agency head is committed and seen to be driving the process. Leadership and 'tone at the top' are necessary ingredients for such success.
Successful organisations are recognising the value of involving the HR manager (or equivalent) in significant decision-making to ensure that workforce issues are considered and to suggest strategic HR solutions to support the achievement of business objectives. This input is obtained by having HR expertise on the Executive Committee or Board, or by establishing a direct channel of communication between the agency’s manager responsible for strategic HR management and senior management.

As previously indicated, raising the profile of workforce planning to a strategic level requires the explicit commitment of the agency head and other senior executives. However, the success of this approach will rely on the capability of the HR manager. It is essential that the HR team understands the nature of the business and establishes credibility with senior management and line managers. Agencies will need to assess whether they have the desired HR capability and explore their options for acquiring or developing professional expertise as required, if necessary, from external sources. Workforce planning is more successful in those agencies where the agency head and senior management have direct access to high level professional and strategic HR advice.

The PSMPC has developed a HR Capability Model to set out the skills required by highly effective human resource people in the APS. The initiative for this project stemmed from the findings of the recent People Management Benchmarking Study that identified three critical themes in relation to people management across the APS:

- change;
- building capability; and
- strengthening the impact of HR on the business.

Developed in close collaboration with agencies (including line managers, HR staff, HR directors and selected agency heads), the HR Capability Model is a major initiative aimed at assisting agencies increase the capability of their HR staff. This will allow the HR function to better align HR initiatives with business priorities and increase organisational performance.

It intended that the Model will be used by:

- HR people to focus on their development needs;
- agencies to assist in defining the skills required when looking for HR people; and
- agency heads and line managers to see the contribution that HR people can make to business outcomes.

The APS HR Capability Model is illustrated in Figure 3.
Partnerships between corporate planners, finance and HR managers can also be very effective for strategic thinking, problem solving and the preparation and presentation of an integrated information package to assist line managers and staff with business decision-making. A collaboration of this kind leads to information, which is often prepared independently by the key planning areas of an agency, being shared and cross-analysed. At a time when IT solutions are still being refined to support the monitoring and reporting needed for effective workforce planning, cooperation between these areas can help an agency develop better solutions. In situations where the management of corporate functions is outsourced, a true ‘relational’ partnership between the agency and the servicer provider for the provision of strategic advice is especially important.

Generally speaking, line managers are the best informed people to make judgements about the people they need to achieve business outcomes. HR managers should be the best informed people to make judgements about how to achieve the supply of people needed to achieve business outcomes.
The following case study outlines the roles and responsibilities for workforce planning assigned by one agency.

**CASE STUDY – Department of Education, Training and Youth Affairs**

**Roles and responsibilities**

**Background.** The Department of Education, Training and Youth Affairs’ (DETYA) workforce planning model (2000-2003) outlines key roles and responsibilities for those areas involved in workforce planning.

**The Executive.** The Executive, Corporate Leadership Group (CLG) and People and Information Technology Committee will set corporate people management priorities consistent with identified needs and continue to enhance the organisational capability.

**People Management Branch.** The People Management Branch will provide support in the following ways:

- participating in the division/state/NT level business planning dialogue for the purpose of gathering and collating corporate workforce planning needs information;
- assisting, where requested, the branches/states/NT to develop workforce plans and in the collection of data for corporate purposes;
- providing policy advice to address the priorities;
- making available a standard set of workforce information (that is demographic data) to inform the workforce planning discussion at all levels;
- making available a standard set of easy to use tools (for example matrices) for optional use for the collection of skills gap information;
- providing information on the DETYA organisational capability/skills sets for consistency in skills needs and organisational capability discussions at all levels of the business planning/performance management/career development discussions;
- aggregating the workforce information for consideration by the Executive/CLG in identifying key corporate initiatives to address and support workforce needs and show the links between these and the five DETYA organisational capabilities; and
- provide advice, as part of the business and workforce planning dialogue, on the most appropriate HR systems to fill the gaps in the most effective and efficient manner. These could include learning and development priorities; recruitment/entry level requirements; mobility; and/or retention strategies.
Monitor and evaluate

Once HR policies and strategies have been put in place to achieve the desired workforce, successful organisations will monitor and report on the implementation of these initiatives and periodically evaluate whether the desired outcomes have been achieved. This enables managers to track the progress made; determine whether the identified workforce issues are being successfully addressed; and help manage the impact of any unforeseen developments. If the strategy is not achieving the desired outcome, or is not progressing as planned, the agency should revisit its approach. Any step of the process can be revisited as necessary.

The baseline derived from the analysis of workforce demographics and capabilities data provides a useful means of ascertaining the effect of workforce planning initiatives.

Effective workforce planning relies on the development of clear objectives to ensure it reflects the overall business outcomes the agency is aiming to achieve. The role of workforce planning in contributing to the achievement of the agency’s outputs and outcomes should be clearly articulated. However, it is acknowledged that it can be difficult to establish direct causal relationship between the two. When assessing the effectiveness of workforce planning, it may also be necessary to identify and discuss any other variables external to the process that may have impacted on the workforce planning activities.

Monitoring and reporting

Regular monitoring and reporting on workforce planning activities are important for external accountability purposes. For example, the costs of the workforce planning strategies may form part of an agency’s output costs which are reported as part of the agency’s financial reporting processes. External reports are the main means by which interested parties, such as Parliament, are able to obtain information on agency outcomes. The annual report is the key vehicle for the publication of information about agencies’ operations.

The following case study identifies monitoring and evaluating activities which an agency could engage for workforce planning.
CASE STUDY – ACT Department of Urban Services

**Monitoring and reporting arrangements**

**Ongoing monitoring and evaluation.** One of the roles of the Department of Urban Services’ Human Resources (HR) Board will be to monitor HR performance, organisational health and emerging HR risk issues across the department. This includes:

- routine analysis of HR quantitative and qualitative data (for example, through recruitment, turnover and exit survey data);
- monitoring broader workplace policy and labour market environment; and
- evaluation of HR programs.

**State of the organisation report.** As part of the monitoring, reporting and feedback loop in relation to workforce issues, the HR Board will also produce an annual ‘state of the organisation’ report. This report will be provided to the Board of Management and will:

- review overall HR performance in line with the business planning cycle;
- recommend corporate HR budget priorities for the coming year; and
- include an evaluation of current initiatives and an assessment of the overall health of the organisation based on quantitative indicators and qualitative information gathered from staff.

The report will also be made available to all staff.

**Human Resources Board reporting.** The Human Resources Board reports to the Board of Management on a half-yearly basis. An interim report to staff is made available via the Intranet and the staff newsletter Urban Update. The HR Board will also provide an annual state of the organisation report to the Board of Management in line with the business planning cycle set in the corporate plan *Directions and Priorities.*
Evaluation

Evaluations are a useful means of assessing the performance of workforce planning initiatives. There are many ways that evaluation can be incorporated into the workforce planning process. For example, agencies may wish to identify key milestones in the process when it would be appropriate to conduct an evaluation. It is important to consider possible ways of assessing the results of a strategy at the time the strategy is being developed. This may involve asking questions such as:

- does the strategy have a completion date or is it ongoing?
- how will we know when the strategy is complete?
- if it is ongoing, how often should we assess it?
- what outcomes could we expect as a result of the strategy?
- how will we measure and/or assess the extent to which the desired outcomes have been achieved?

There are many different methods to obtain feedback for evaluations concerning the effectiveness of outputs and outcomes. This information can be obtained via meetings, surveys, focus groups, review of progress reports, interrogation of systems and so on. Regardless of the method, examples of questions to ask in order to determine whether the strategies are effective include:\14

- were the strategies completed and do they fulfil the goals?
- did the strategy accomplish what was needed?
- if not, have the business objectives upon which the strategy was based changed? Were there other factors preventing the attainment of the goal?
- are the assumptions of the demand and supply models still valid?
- have the conditions changed such that the strategies need to be revisited?
- is there a need to modify the strategy?

The workforce planning evaluation strategy should also include an assessment of any HR performance indicators that have been developed as part of the overall agency planning process.
3. CONCLUSION

Workforce planning is essential if the public sector is to deliver products and services efficiently and effectively to the public and achieve the Government’s desired outputs and outcomes. To be successful, agencies need to be forward looking and position themselves to ensure they have access to people with the necessary skills and knowledge.

This guide seeks to encourage those agencies that have yet to engage in workforce planning to consider adopting an approach that is best suited to the management and culture of the agency and the activities it undertakes. A checklist outlining some of the key principles for effective workforce planning is contained in the following section.

While workforce planning presents challenges, the risks associated with not undertaking workforce planning can be significant. Effective workforce planning will ensure that the agency has the right people in the right place at the right time to achieve successful business outcomes now and in the future.

4. END NOTES

1 For more information on the APS Values, see the Public Service and Merit Protection Commission’s booklet Values in the Australian Public Service published in 2000 as part of the Values and Conduct series.
4 Bushell, S., The Pros and Cons of Scenario Planning, CIO, October 2000, p.84.
10 Public Service and Merit Protection Commission, 2000a, op.cit., p.6.
13 Ibid.
5. WHERE TO FROM HERE?

A MANAGER’S CHECKLIST – KEY CONSIDERATIONS FOR EFFECTIVE WORKPLACE PLANNING

The following checklist outlines some key principles that an agency should consider in achieving an effective workforce planning process. These principles have been drawn from issues raised in this guide but are not necessarily exhaustive. They are expected to be useful for management to consider in their approach to workforce planning.

The checklist is designed to assist agencies to assess the strengths and weaknesses of their current workforce planning framework. Alternatively, it may be used to guide the establishment of an effective process for those agencies in the early stages of workforce planning. The checklist uses a ranking scale with four levels:

4 – fully effective 3 – satisfactory 2 – marginal 1 – not addressed

Consider the broader context

- Have factors in the external environment that may impact on your approach to workforce planning been considered – for example: external labour market data and community demographic profiles?

- Has workforce planning been integrated into the corporate governance framework?

- Is workforce planning considered as part of the broader business planning processes?

- Does the management of your workforce reflect the vision and values?

Identify your future business direction and workforce needs

- Have the possible future directions of the agency been explored?

- Were key internal and external stakeholders involved in the process?

- Was the assessment of future business directions used to identify future workforce needs and build organisational capability?

- Has your agency identified a set of capabilities that are considered to be essential to delivering business outcomes in the future?
Know your current workforce

- Has key demographic data been captured to develop a profile of the current workforce? [ ] [ ] [ ] [ ]
- Is the current workforce profile used to provide a demographic baseline against which future changes can be analysed? [ ] [ ] [ ] [ ]
- Has consideration been given to what the current workforce will look like in the future? [ ] [ ] [ ] [ ]
- Has a means of identifying the skills and capabilities of existing staff members been developed? [ ] [ ] [ ] [ ]
- Has a range of key quantitative and qualitative performance indicators been developed to collect workforce data? [ ] [ ] [ ] [ ]
- Is workforce data collected on an ongoing basis? [ ] [ ] [ ] [ ]
- Is workforce data corporated into existing business reporting mechanisms and integrated with other management information to keep senior management up-to-date on workforce issues and to assist with business planning and day-to-day decision-making? [ ] [ ] [ ] [ ]

Bridge the gap
- identify and address your workforce issues

- Have workforce issues that may impact on the delivery of business outputs and outcomes been identified? [ ] [ ] [ ] [ ]
- Have HR policies and practices been developed/refined to address the identified workforce issues? [ ] [ ] [ ] [ ]
- Are HR policies and strategies aligned with other business activities and directly linked to the overall corporate plan? [ ] [ ] [ ] [ ]
- Have both short and long-term initiatives for addressing workforce issues been identified? [ ] [ ] [ ] [ ]
- Have the strategies/initiatives been ranked according to business priorities? [ ] [ ] [ ] [ ]
- Have broader management issues been examined as a way of improving organisational performance? Such issues could include more effective use of technology, more appropriate organisational structures and work organisation, and/or better management techniques. [ ] [ ] [ ] [ ]
Provide a sound basis for effective implementation

- Is it recognised that workforce planning is a continuous process? 4 3 2 1
- Are all relevant planning documents integrated and aligned? 4 3 2 1
- Is prime responsibility for workforce planning shared by the agency head, line managers and human resource managers? 4 3 2 1
- Is the agency head committed and seen to be driving the process? 4 3 2 1
- Have each manager’s HR role and responsibilities been clearly defined? 4 3 2 1
- Are HR managers involved in significant business decisions to ensure that workforce issues are considered and to suggest strategic human resource solutions to support the achievement of business goals? 4 3 2 1
- Are strategic partnerships between strategic planning, finance and HR managers promoted? 4 3 2 1

Monitor and evaluate

- Have mechanisms been developed to monitor and report on the implementation of workforce planning initiatives? 4 3 2 1
- Will your agency periodically evaluate whether the desired outcomes for workforce planning have been achieved? 4 3 2 1
- Were clear objectives for workforce planning developed that reflect overall business goals? 4 3 2 1
- Are systems in place to determine whether the strategies designed to address workforce issues have been effective? 4 3 2 1
- Have mechanisms been established to measure and/or assess the contribution of workforce planning initiatives to the achievement of business outcomes? 4 3 2 1
A GUIDE TO FURTHER READING

A guide to learning more about workforce planning and specific aspects of the process is included below. This covers some of the publications, official documentation and other sources used in the development of this guide. A list of useful contacts is also included.

General issues and broader context


Workforce planning

- Department of Health and Human Services Office of Human Resources Assistant Secretary for Management and Budget, 1999, *Building Successful Organisations Workforce Planning in HHS*, [DHHS], USA.

Strategic human resource management


Future business direction


Scenario planning/thinking


USEFUL CONTACTS

There is a range of different networks established across the APS concerned with the issues discussed in this Guide. These include the:

• Workforce Planning Network;

• HR Directors Forum;

• Strategic HR Reform Group; and

• APS Futures Forum.

Contact the People and Organisation Development Team at the PSMPC for more information on these networks. The team can also provide details on the Driving Change Seminar Series which is designed for senior HR and Human Resource Development practitioners and managers.
Department of Family and Community Services

The Department of Family and Community Services (FaCS) is the principal policy formulation and advising body responsible for developing and implementing income security policies and programs, services for people with disabilities, families with children, community support, family relationships and welfare housing.

Background

As part of its strategic risk assessment, FaCS identified issues around needing to continue to have the right skills and knowledge base as being essential to the department’s ability to deliver its outputs and outcomes. Workforce planning was identified as the treatment of this risk.

There were a number of key questions FaCS wished to address as part of workforce planning:

- What kind of workforce will be needed in the future?
- How can these needs be determined ahead of time?
- What are the implications of broader social changes?
- How can individuals manage their careers in a constantly changing environment?

The desired outcomes of the workforce planning project are that:

- the desired workforce capabilities now and into the future are defined and used as a basis for recruitment and development;
- FaCS has the capability to meet current business outcomes and future requirements;
- the individual skills of FaCS staff are understood, recognised and utilised;
- people are deployed where they can help direct better organisational performance;
- FaCS is the employer of choice for people with the desired capabilities; and
- workforce planning is an integral part of FaCS planning cycle.

Approach

To determine the approach to workforce planning that would be most appropriate for the department, FaCS used the diagnostic model for HR planning in an uncertain environment developed by Kane and Stanton (1994). The diagnosis for FaCS indicated that it should adopt a vision-driven approach and focus on the major shifts facing the organisation.

Scenarios were considered to be the best approach to identifying the major shifts, especially since the department had already examined a range of possible future scenarios as part of the developing the Strategic Policy Framework.

A project team was established within the People Management and Change Branch to run the project. Since workforce planning was identified as a key priority in FaCS people plan and branch business plan, the project received a number of dedicated resources.

A Reference Group was also established to guide and advise the project team. The Group was broadly representative and included key people with links back to the line areas. Members included representatives from the senior executive (deputy secretary, division heads and branch heads), the state and territory offices, executive level staff and the HR team. The main focus of the reference group was to identify the organisational capabilities and values.
FaCS’ overall approach to workforce planning is outlined in red in Figure 4. The department is currently developing approaches to embed the capabilities into the organisation.

![Figure 4. Diagnostic model for HR planning in an uncertain environment](image)

### FaCS’ overall approach to workforce planning

<table>
<thead>
<tr>
<th>Stages</th>
<th>Output</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Capability</td>
<td>Analysis of desired future capability for FaCS expressed as an</td>
<td>Understanding of what capability is needed to be ready to respond to</td>
</tr>
<tr>
<td>Framework</td>
<td>Organisational Capability Framework</td>
<td>changing nature of FaCS business</td>
</tr>
<tr>
<td>2. Strategies for</td>
<td>Developing strategies to develop the capabilities in FaCS</td>
<td>Planned approaches with resource allocations</td>
</tr>
<tr>
<td>implementation</td>
<td>Communication and integration into business</td>
<td>Increasing the desired capabilities in FaCS</td>
</tr>
<tr>
<td>3. Implementation</td>
<td>Investment program based around strategies to develop the capabilities</td>
<td>Capability framework integrated into planning</td>
</tr>
<tr>
<td>4. Evaluation and</td>
<td>Assessment of: - Whether goals were achieved; and - early warning of</td>
<td>Being prepared to make appropriate adjustments</td>
</tr>
<tr>
<td>monitoring</td>
<td>changes</td>
<td>Understanding if a change of direction is needed to the future</td>
</tr>
<tr>
<td></td>
<td></td>
<td>environment that will impact on the capabilities.</td>
</tr>
</tbody>
</table>
APPENDIX 2

ACT Department of Urban Services

The Department of Urban Services is the ACT Government department responsible for delivering a range of municipal and state services to the community including waste management, bus services, roads and related infrastructure, library services and the management of urban parks and places. Urban Services also provides advice to the government on land, planning, development and sustainable management of urban infrastructure and the environment. Urban Services comprises a number of individual businesses with approximately 2,300 people working in and around 50 locations in the ACT.

Background

Three features of the Department of Urban Services’ staff profile—ageing workforce, low recruitment of young people and high turnover of young people—triggered the workforce planning study. The primary purpose of the study was to

- identify staff views on the HR implications of the age profile for Urban Services; and
- recommend actions to address the issues raised.

Approach

Urban Services adopted a ‘bottom up’ approach to workforce planning based on extensive consultation with staff through focus groups. A working party drawn from focus group participants organised a workshop, produced a video and recommended follow-up action.

Recommendations and outcomes

Five recommendations were drawn from the focus groups, workshops and feedback from the Urban Services HR Board. The recommendations were aimed at:

- clarifying the role and directions of Urban Services;
- reviewing and revitalising recruitment, and revisiting retention strategies;
- managing performance proactively and retaining valuable staff of any age;
- capturing, sharing and developing the right corporate knowledge; and
- remembering the ‘human’ in human resources.

A number of initiatives were undertaken as a direct result of the workforce planning study and there is a firm commitment to others. These initiatives include setting up a workforce planning unit with a focus on broader HR strategic issues and refining recruitment and remuneration strategies. However, it is recognised that it will take time to achieve measurable results.

The short-term impact of the project is evident in the heightened awareness in everyday management and in ‘organisational conversation’ within the department of the need to monitor and manage what is happening in the workforce.

The study led to increased awareness of important workforce issues such as:

- implications of managing an older workforce;
- the importance of retaining key aspects of corporate knowledge;
- the need to match recruitment and retention approaches to the aspirations of a different generation;
- recognition of the value of a varied and interesting set of tasks which are seen to benefit both staff and the department—including the value of cross-functional project teams for learning and development;
- the need to think more flexibly about remuneration in a public sector environment; and
- the critical importance of listening to staff views and involving them in developing solutions to issues which affect all employees.
APPENDIX 3

Attorney-General’s Department

The Attorney-General’s Department (AGD) serves the people of Australia by providing essential expert support to the Government in the maintenance and improvement of Australia’s system of law and justice. The department is the central policy and coordinating element of the Attorney-General’s portfolio for which the Attorney-General and Minister for Justice and Customs are responsible.

Background

In 1998-99 AGD was experiencing a significant period of change arising from the Government’s decision to create the Australian Government Solicitor as a separate authority. At the Senior Executive Conference in 1998 it was decided that devising a practical approach to workforce planning and management, including future skills development, career management and succession planning was a critical task.

Approach

It was agreed that the department would undertake an assessment of its capability and projected strategic direction over the next three-five years. This would help to clarify the workforce projections that would underpin recruitment, job design, staff development and all other elements of an integrated approach to people management. These other elements include workforce plans and a program of training and development which aligns individual development with organisational goals.

A workshop comprising division/office heads held in November 1998 considered AGD’s future business directions and workforce capabilities. Each division was then asked to identify current and potential gaps in capability in relation to the desired skills, knowledge and attributes. The department then developed a workforce planning strategy that took into account the concerns, constraints and risks identified as part of the gap analysis.

The workforce planning strategy requires further development and consultation on a number of fronts, including workforce projections for 2000-2003. Action to progress the four strategic areas identified for action is well advanced.
APPENDIX 4

Australian Government Solicitor

The Australian Government Solicitor (AGS) is a commercial government business enterprise operating in competition with private sector law firms for government legal and related services. It offers the full range of legal professional services to Commonwealth departments and agencies. AGS responds to its clients' needs through its national office network in all capital cities and Townsville. AGS has over 320 lawyers providing services exclusively to government.

Background

AGS is using workforce planning to match people to future business requirements.

AGS anticipates that workforce planning will:

- enable the development of HR plans for business networks and offices that address the people side of business planning;
- ensure the appropriate level and mix of capabilities is available to accomplish business plan objectives and service clients; and
- document the composition of AGS' workforce and the capabilities required for continuing business success.

This in turn will enable intelligent responses and flexibility to meet changing business requirements of clients.

Approach

The process that AGS is using involves:

- identifying future business requirements;
- describing the current workforce;
- analysing the gap between the current and future workforces; and
- proposing possible human resource strategies to fill the gap.
Australian Customs Service

The Australian Customs Service (Customs) principal roles are:

- to facilitate trade and movement of people across the Australian border while protecting the community and maintaining appropriate compliance with Australian law;
- to efficiently collect customs revenue; and
- to administer specific industry assistance schemes and trade measures.

Background

The commissioning of the Workforce Planning Project (WPP) in March 1999 reflected a senior management desire to establish effective, future looking workforce strategies which focus on meeting changing business needs. The WPP was ambitious in its scope and objectives, seeking to produce integrated people management strategies focused on the meeting current and future business demands. The project was sponsored by the Chief Executive Officer, who also chaired the Project Steering Group.

The objectives of the WPP were to:

- develop a picture of the Customs workforce in the next three to five years;
- establish recruitment and selection, training and development, assignment and performance management policies and strategies that are integrated and focused on achieving required workforce characteristics now and into the future; and
- develop an approach to forecasting workforce requirements.

Approach

A small project team worked with the Executive and other senior staff to formulate a vision of Customs business and its workforce requirements in three to five years. This visioning process considered the impact of a range of change drivers on Customs business and on characteristics required within the workforce to sustain and improve organisational performance. The vision and identified workforce characteristics were validated through consultation with groups of senior officers and operational staff from across Customs.

Existing policies and strategies relating to recruitment and selection, training and development, assignment and performance management were then evaluated and refined in light of the vision and workforce characteristics. Small teams with a mix of HR and operational backgrounds were established to undertake this work.

Planning and projection processes have been established to support and inform use of the policies and guidelines. These focus on consideration of workforce information, emerging business requirements and issues arising in the workplace in developing plans for recruitment, assignment and development of employees.
A picture of the current workforce has been developed using information from Customs human resource information systems. Issues covered include classification, age, qualification, experience and tenure profiles, rates of separation and internal/external recruitment ratios. Senior managers review and discuss the information drawing links to corporate priorities and current or emerging workplace issues. From these discussions, workforce issues are identified and prioritised and broad level plans/strategies for recruitment, assignment and development are set.

Human resource advisory staff support the process and provide advice about the best use of HR policies and strategies to achieve identified outcomes. A significant element of the support process to date has been in establishing effective HR reporting and data analysis tools and validating HR data holdings. In recent times this process has been greatly simplified by advances in on-line analytical processing software and use of external providers with expertise in human resource information analysis and benchmarking.
Appendix 6

Department of Education, Training and Youth Affairs

The Department of Education, Training and Youth Affairs (DETYA) supports the Government to respond in an integrated and balanced way to the education and training needs of all Australians, particularly of our Indigenous and young people.

Background

DETYA's People Management Improvement Plan identifies Workforce Planning as a key strategic initiative. Workforce Planning links many of the initiatives of the People Management Improvement Plan to the business planning cycle. These include Performance Management, Career Development and Succession Planning. DETYA's approach to Workforce Planning can be best described as 'planning for the people we need, with the skills we need, in the jobs we need and performing well'.

The department anticipates that key corporate and local benefits will be gained through effective and integrated workforce planning as follows:

• a clear understanding and articulation of the organisation's and the work area's capability to undertake the work of the department, and of the department to undertake the business of government;
• better linking of individuals’ skills and career paths with the organisation's capability to deliver business requirements;
• improved capability, flexibility and capacity to adapt to changing priorities; and
• better anticipation of emerging capability/skills requirements.

Approach

In the first half of 2000, a Workforce Planning approach was piloted in a number of discrete business areas of the department. These business areas represented diverse skill groups with different functional responsibilities covering various geographic locations.

Following the pilot, the department’s Corporate Leadership Group set two key approaches to workforce planning. They are:

• a low impact approach based on ongoing dialogue at Branch and Division levels about workforce needs which are to be collected, coordinated and analysed by People Management Branch for corporate planning purposes; and
• strategic analysis by People Management Branch of workforce information and data for the executive and skills needs identification tools and assistance in preparing local workforce plans where that is required or requested.

Figure 5 illustrates the workforce planning model adopted by the department which links the workforce planning discussion with both the business planning and performance management processes that are already well established in DETYA.
PLANNING FOR THE WORKFORCE OF THE FUTURE

Government Outcomes
What we are required to achieve

Business Planning Process
How we achieve the outcomes

Workforce Planning
Annual corporate discussion to determine needs for the future

Corporate Plan
Divisional Plan
State/Branch Plan
Section Plan

Workforce Information
- age profile
- turnover
- staff survey
- external factors

Division/State Workforce Plan
Discussions to prioritise and rationalise needs

Branch Workforce Plan
Discussions to identify local needs

Agreed Performance Statement
Roles and responsibilities clarity

Local Skills Needs Analysis
Career development discussions

Career Development Agreement
Learning and development to achieve outcomes

Performance Management System

People Management Improvement Plan
Gaining the skills and people we need
Renew Deploy Develop Retain

Figure 5 – Workforce Planning at DETYA
Department of Communications, Information Technology and the Arts

The Department of Communications, Information Technology and the Arts (DOCITA) is a medium-sized department of around 600 people providing policy advice and program support to the Australian Government on arts, information technology and communications portfolio issues.

Background

Improved workforce reporting and planning was identified as an important input into managing DOCITA’s workforce. It is intended that workforce planning will:

- contribute to the planned Department of Finance and Administration pricing review by improving the understanding of the workforce and structure, including an increased capacity to estimate and plan for costs;
- provide a tool for identifying gaps between existing workforce and the needs of the organisation in the short and long term; and
- enable the development of more specific recruitment and human resource development strategies to address the gaps.

The aim of DOCITA’s workforce planning project is to:

- identify the key measures, that will enable DOCITA to monitor its workforce capacity to contribute to the outcomes and outputs of the department, through consultation with Executive Management Group and senior managers; and
- produce reliable quantitative and qualitative reports on DOCITA’s workforce against key measures.

Approach

The approach DOCITA intends to take includes:

1. identifying existing workforce foundations;
2. conducting a human resource audit, supply and future needs forecast;
3. matching supply and demand; and
4. identifying the future workforce requirements—short term and long term.

A gap analysis will be conducted between steps 1 and 4 above.