Workforce Planning Toolkit

Workforce Planning

- At its simplest workforce planning is:
  - Identifying the number of employees and types of employees skill sets required to meet the Services strategic objectives and service delivery requirements
  - Developing a plan of action to ensure that the appropriate workforce will be available to provide quality services

Workforce Planning **will** provide:	Workforce Planning **is not**:
• An understanding of the Services capability and capacity • An understanding of what is required in the future • An understanding of the gaps • Manage employment expenditure by anticipating change • Ensure appropriate learning & development is provided • Deliver improved service by linking service strategy and people plans • Cope with peaks and troughs	• Just a number crunching exercise • A stand alone activity • Just about organisational charts

Scoping Exercise

- Define which areas of Service will be included

  - different Sections of the service will require different levels of planning and analysis e.g. jobs that can be filled quickly within known resources do not require staff planning.

- Review approach to each stage of the model

  - eg. SMT workshop, Head of Service and manager workshop

- Discuss drivers for change section (1.1) and review which key areas are for discussion and amend section accordingly

Step One - Context and Environmental Analysis

Description

- The drivers for change are elements of the business environment that shape all aspects of the Service, including its design.
- The tool also contains a PESTLE template to help the user express environmental factors.
- If required, it may also be useful to complete a SWOT analysis as per the template on the management intranet to focus on future challenges (http://ntintra1/miweb/current/toolkits/swot-analysis/swot_analysis.htm)
- Opportunity to collate the business changes and outline timescales.

Objective (why?)

- Clearly agreed Service/business drivers which will create a consensus around what the Service should deliver.
- Stating clearly the business drivers also ensures that there is an explicit link between Service plans and budget process and the required manpower.
- Outline a number of future workforce requirements due to business drivers

Triggers for Use (when?)

This tool should always be used at the beginning of any workforce planning process. It can also be used "retrospectively" if for any reason a workforce action plan has been started without clear business drivers.

Tips for Use

- Ensure all key stakeholders are involved
- Different Sections of the service will require different levels of planning and analysis e.g. jobs that can be filled quickly within known resources do not require staff planning.
- Some business drivers should always be included (they are “given”) e.g. Service plan, functional strategies, budget management
- Some scenarios may have more realistic chance of success because they are less likely to meet resistance
- **The Drivers for Change questions (questions 5-9) can be amended to suit the requirements of the Service**
- **If data is available on performance this can be used to support discussion on performance (question 9)**

1.1 Drivers for Change

1. Environment (PESTLE)

- Which external factors are impacting the level and type of resources that are needed within the Service?

Regulatory / Political / Technological / Social / Business & Economic / Demographic / Natural Environment

2. Customer requirements

- What are the changes in customer requirements (either external customers or internal customers) that are driving change within the Service?

Customer expectation changes / Service scope and offer

3. Business imperatives

- What are the changes in the Service strategy and objectives that have an impact on resources?

Cost reduction / Target or benchmark staffing levels / More innovative / Better quality / Better customer focus / More effective use of suppliers / Change of technology / infrastructure

4 . Cultural & behavioural imperatives

- What are changes in the desired organisational culture that impact resources?

New target behaviours / Customer facing culture / Leadership changes

1.1 Drivers for Change

5. Staffing levels

- Are there teams or functions where there is consistently a high number of overtime hours (paid or unpaid) being worked?
- Is there a need to reduce staff costs within a team or function?
- Are there teams or functions where there is evidence of stress-related problems?
- Are there initiatives or projects that are putting additional strain on teams, functions or individuals?
- Are there teams which appear to be over-staffed
- Have some activities been transferred out of a function or team without a corresponding reduction in the size of the team?

6. Roles and responsibilities

- Is there evidence that some activities are constantly being missed or carried out to a low standard?
- Is there evidence that roles and responsibilities have grown without re-evaluating the staff within the roles?
- Is there evidence that there is a lack of clarity within teams or functions around roles and responsibilities
- Is there evidence that there is conflict between teams around roles and responsibilities

7. Types of staff needed

- Is there an issue with the skills or cost of staff within a team or function?
- Is there an issue around general competencies?
- Is there an issue around technical or specialist competencies because the nature of the work has shifted or the team skills have not kept up with the changes in external environment
- Is there a need to add different sorts of staff to the team or function on either a temporary or permanent basis?
- Are the staff in the team or function skilled in the wrong area or over skilled for the current work?

1.1 Drivers for Change

8. Skills of existing staff

- Are staff struggling to complete work on time?
- Do staff need considerable coaching from line management in order to carry out their work?
- Do managers find themselves checking up on the work carried out by their teams or functions?
- Is there a need to update the technical skills of the staff in the team or function?
- Is there a need to build the general competencies of staff within a team or function?

9. Performance

- Are there particular teams or functions who are consistently under performing against objectives?
- Are there teams or functions where the size and scope of the role has outgrown the capabilities of the staff within the roles?
- Are there very high performing teams that need an enhanced role or could take on more?

1.1 PESTLE – Environmental Factors

A PESTLE analysis is a simple but effective way of looking at the operating context for any Service to aid the planning process.

Political • Government Policies • Government term and change • Partnership Groups • Equal Opportunity • Pressure groups • Funding, grants and initiatives	**Economic** • Pay rates • Skill shortages • Corporate Risk • Economy situation and trends • Seasonality/weather issues • Cost of living •
Social • Lifestyle trends • Demographics • Customer attitudes and opinions • Media views • Law changes affecting social factors • Major events and influences • Ethnic/religious factors • Changing Employee expectations and needs i.e. work life balance issues • Inequalities and deprivation • Qualifications, Skills and competence • Flexible working opportunities	**Technological** • Innovation – new equipment, new techniques, new methodologies. • Associated/dependent technologies • Replacement technology/solutions • Maturity of technology • Information and communications • Technology access, licensing, patents intellectual property issues • Increased mobility • New ways of working
Legal • Service obligations • Employment legislation • Current legislation • Future legislation • European/international legislation • Regulatory bodies and processes	**Environmental** • Environmental legislation • Public awareness of environmental issues • Political agenda on the environment • Corporate Social Responsibility awareness and expectations

1.2 Clarify Future Situation

Once the potential changes have been identified for the future (based on next 4 years) the below worksheet can be used to collate the proposed changes and impact on resources and workforce

Identify the general shape and scope of the proposed business change	Identify in this section: • The proposed change/s • The current functions/teams which will be affected by the change • The proposed timescales

1.3 Context & Environmental Analysis Checklist

Step one Checklist

Before moving to Step 2, it is important to have the following information in place:

- What are the drivers/objectives behind the changes?
- What are the intended benefits for the change?
- What challenges are being face (e.g. skill shortage, funding)
- What are the forces that support the service change?
- What are the forces that hamper the change?

Step Two - Future Workforce Profile

Description

- A tool to develop future workforce profile that will guide the future Service design by describing the kind of features, characteristics or capabilities the Service requires to satisfy its drivers.
- The future profile will provide a framework for assessing the impact on the Service and alternative options in order to choose the best fit.
- They can be long-term or short-term

Objective (why?)

- Future Workforce profile provides us with a blueprint for the future Service.
- They provide criteria to determine the suitability of potential Service designs and become filters for future Service changes.
- They allow you to describe the target Service organisation without drawing organisation charts, in order to depersonalise the discussion and allow you to define non-structural design principles, such as roles, accountabilities, “ownership” issues etc.
- The design principles give you your “story” for communicating potential Service change

Triggers for Use (when?)

Always develop the future workforce profile before discussions around possible service structures or models starts. Ideally following on from an agreement of the drivers of change.

Tips for Use

- It is worth spending time on this step as it should save time later and achieve a better final Service model
- Develop workforce profile in a workshop or meeting with key stakeholders OR create a set of draft workforce statements off line based on the agreed change drivers and discuss and refine these in a workshop.
- Use the Workforce profile as the basis for your communication messages – the “why”
- Do not use jargon in the workforce profile statement

2.1 Future Workforce Profile Statements

1. Review drivers for change and knowledge of the current Service

2. Workforce profiles will describe the kind of features, characteristics or capabilities the Service requires to satisfy its drivers.

3. Brainstorm possible workforce profiles based on the question “What type of workforce (what will the workforce look like) do we require to deliver these drivers”?

4. Agree on final (reduced) set statements

5. **Example of workforce profile statements:**

- **Eliminate duplication, unless there is clear and sustained customer benefit**
- **Massively speed up decision making, then deliver**
- **Leverage great ideas and talent across the Service**
- **Create a true service delivery culture**
- **Better balance long-term and short-term priorities**

2.2 Impact on the Service of the future workforce profile

Identify the general staffing implications of the proposed change and profile	Identify in this section: • Increase / decrease / transfer of staff • Changes to skill-mix • Changes in qualifications / skill required • Changes to working practices • Current staff shortages

2.2 Impact on the Service of the future workforce profile

Identify the resources which will be affected by the change (exclude staff)	Identify in this section: • Buildings and other physical resources • Financial resources - additional / reductions / transfers

2.3 Future Workforce Profile

Step two Checklist

Before moving to Step 3, it is important to have the following information in place:

- Have the key tasks been identified?
- Have new ways of working been identified?
- What are the workforce implications and issues (more /less staff or different skill requirement)?
- What future skills and competencies are required?
- What future learning/training is required?

Step Three - Current Workforce Profile

Description

- The largest component of the future workforce is the current workforce, the reason for reviewing future demand first in Step 2 is that this helps you focus on what you need to know about your current workforce.
- This steps includes an audit of the current workforce within the Service
- The tool provides standard data on the current workforce but if required further analysis can be produced on a particular job family

Objective (why?)

- The purpose of supply analysis is to determine whether sources of workforce will fall short of, meet, or exceed demand (Stage 2) in terms of the number of employees required and the knowledge, skills, and abilities required
- Having established the existing workforce and the likely changes as a result of flows in and out, we need to understand what we can do to influence future supply so that it meets demand.

Triggers for Use (when?)

This step should be used once future workforce requirements have been identified. This step will identify what the current workforce currently looks like and trends to determine what it would look like in the future.

3.1 Current Workforce Data

- Current workforce data can be provided by the Organisational Development team which will include:

Workforce Data	Workforce Analysis (based on the last 12 months data)
Job title	Agency costs
Location	Absence stats – (sickness)
Headcount (includes multiple post data)	Number of leavers
Contracted hours	Number of new starts
Length of service	Number of movers
Age	Turnover rates
Gender	Number of retirements
	Job family ratio
	Job family analysis – further breakdown of data related to a specific job family can be requested

3.1 Current Workforce Data

- There is also data held within the Service that may be useful to review

Exit interview / Reasons for Leaving
Employee Survey data
Hard to fill posts within the Service
Review of current ratios/guidelines in place within the Service
Skills, training and qualifications – specialist skills

3.2 Trends & Influencing Workforce Supply

▪ Trends

To forecast the future workforce and control supply so it meets demand we need to understand the flow into and out of the workforce

- *Competition from other employers might increase demand for a particular skill i.e. graduates,*
- *Age profile on your existing workforce may highlight a concern with retirement rates*
- *Turnover rates peak when people start a new jobs, therefore staffing a new team may initially have high turnover rates*

▪ Influencing Workforce Supply

Having established the existing workforce and the likely changes as a result of flows in and out, we need to understand what we can do to influence future supply so that it meets demand.

- You can also explore ways to optimise the contribution of your current staff. Increasing the skills of the existing workforce not only makes them more effective in their current jobs but also creates a potential pool of staff for promotion and enhanced roles.
- If absence levels are high, efforts to reduce absence can increase the time available from existing staff.
- Reductions in turnover will mean fewer recruits are needed. However, some turnover is inevitable and desirable to enable people to progress and widen their experience.
- Developing new roles can enhance supply in a number of ways:
  - Tapping new pools of potential recruits
  - Maximising the potential of the existing workforce: current staff are generally more committed to the organisation, so developing their skills to enable them take on enhanced roles is often more cost effective than recruiting from outside
  - Offering flexible working patterns can also be very attractive for new recruits and potential returners.

Step Four – Workforce Implications / Gap Analysis

Description

- Reconcile the differences between the required workforce and current workforce.
- Identify the key variables (number, skills, age, engagement etc.) in staff characteristics.
- Identify the most significant changes/impact on the workforce

Objective (why?)

- Analysis results will highlight any gaps (when projected supply is less than forecast demand), which indicates a future shortage of workers or skills **and / or** a surplus (when projected supply is greater than forecast demand), which indicates a future excess in some categories of staff.
- Able to focus on key decisions and build in flexibility based on the variables identified

Triggers for Use (when?)

This step should be used once future workforce requirements and current workforce have been identified. This step will identify the critical gaps between Step 2 and Step 3.

4.1 Gap Analysis questions

Current Workforce

Variables e.g.	Number of employees	Skills	Age of workforce	Equalities	Cost	Engagement
Gap/ Surplus **Questions to consider**	o Can we attract the desired number of staff? o Can staff be promoted internally? o Redeployment options for additional staff? o Any potential TUPE Transfer implications? o Any H&S concerns?	o Does the current workforce have the required skills? o What new skills need to be considered based on future service requirements? o Any skills not required/ or required to the same extent?	o Number of potential retirals? o Number of qualified /skilled workforce?	o Type of roles e.g. gender bias? o Flexible workforce? o Recruitment data? o Migrant workers	o Are there changes to the way people work e.g. IT or flexible working? o How does turnover impact on the service? o Constantly high overtime?	o Employee survey feedback o Absence/ turnover rates o Stress related problems o Certain activities missed/ carried out to a low standard? o Lack of clarity in roles & responsibilities? o Work regularly requires checking?
Variables e.g.	Number of employees	Skills	Age of workforce	Equalities	Cost	Engagement

Future Workforce

Issues & Priority Planning

Action Planning (Step 5)

4.2 Priority Planning

Prioritising action – Impact versus urgency to the Service

It is possible to plot each of the aspects of the gaps/surplus on a chart to reflect its urgency against the impact to the Service. This provides a method of prioritising where action is required.

Impact	Urgency: Low	Urgency: High
High	**High Impact – Not urgent** (Spend time over these and do them carefully) **2**	**High Impact & Urgent** *(These need action immediately and need to be completed thoroughly)* **1**
Low	**Not urgent – Low impact** *(Don't waste time on these)* **4**	**Urgent – low impact** *(Complete these quickly)* **3**

Step Five – Action plan

Description

- Develop strategies to fill identified gaps
- Highlight key areas that need action to move from the current Service to where the Service needs to be

Objective (why?)

- Workforce action plan should be implemented in connection with the requirements of the Service and Councils strategic plan.
- Ensure the Service has the right people, in the right jobs, at the right time to meet service delivery requirements and plan for future changes.

Triggers for Use (when?)

This step should be used once the critical gaps have been identified between current and future workforce requirements. **Actions should be kept to a manageable number so they can be achievable, and prioritised to allow your Service to focus its resources on the most important actions**.

5.1 Strategies

Strategies to be considered may fall into the following areas:

- **Attraction and Selection** – ways to attract the right people, from the widest possible sources. This strategy will include attracting qualified candidates, trainees and apprentices and ensure we recognise and select the best possible candidates.
- **Learning & Development** – building capacity by shaping and developing employee capabilities and prepare employees for new roles or responsibilities. This will involve looking at ways to get people working most productively which could include reviewing the training, developing your talented people, regularly reviewing how you deploy people, and managing and improving performance.
- **Engagement / Retention**– ways to encourage employees to stay in the organisation and ensure that you meet a diverse range of employees' needs and have a productive culture in which people want to work. Ways to keep talented, valued employees, even during a downturn.
- **Succession Planning** – ensure that there are qualified people capable of filling critical positions and knowledge transfer strategies to capture the knowledge of experienced employees before they leave your organisation.
- **Staffing budget realisation –** review the impact on the staffing budget due to the ongoing savings requirement. Any action would involve adhering to Council Policy and Procedures

5.2 Action plan

Workforce Action Plan				
Issue/Need	**Actions**	**Outcomes**	**Lead**	**Target Date**

5.3 Learning Plan

Job Family e.g. Technical, Personal care, Business support, Community, Professional or Management	**Subject Area** e.g. Health & Safety, Legislation & Policy, Business Change, Management Development., Values – staff engagement, Personal & Professional development	**Is this a Statutory or mandatory requirement ?** Y/N	**Training Requirement** e.g. performance management , financial management, manual handling	**Target Date** e.g. April 2015	**Participants / Staff Group & numbers** e.g. managers x10, drivers x5, all x100	**Cost implication or actual cost (if known)** **High** (large number of participants/ large impact on budget, **Medium** impact or **Low** (small numbers / already budgeted for) or actual cost e.g. 2 days x 500 = £1000

Step Six – Review & Evaluate

Description

- Ongoing task to review the success of previous strategies and highlight emerging issues that require development
- Workforce plans should be reviewed at **least annually**

Objective (why?)

- To ensure the Service is able to respond to future changes and challenges

Triggers for Use (when?)

This step should be used once an agreed action plan is in place. The review should be at least annually or when a change occurs that impacts the workforce.

6.1 Reviews process

Services should establish a process that allows for a regular review of the workforce plan to:

- Review performance
- Assess what is working and what is not working
- Adjust the plan and strategies as necessary
- Address new workforce and organisational issues that occur

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