

State of Alaska

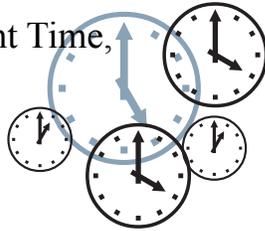
Right People,



Right Place,



Right Time,



Workforce Planning Desk Reference and Guide

State of Alaska,
Department of Administration,
Division of Personnel & Labor
Relations

Table of Contents

<i>Background</i>	3
<i>What is Workforce Planning?</i>	3
What Workforce Planning is Not	4
Why is Workforce Planning Important?	5
<i>Strategic Planning & Workforce Planning</i>	6
A Cooperative Effort	6
Managing for Results:	6
<i>Getting Started</i>	7
Build Support	7
Take Some Important First Steps	7
Approaches to Workforce Planning	8
Workforce Approach	8
Workload Approach.....	8
Competency Approach	9
<i>Workforce Planning Model</i>	12
Step 1—Define the Future	13
Planning Levels	14
Scan the Environment (SWOT).....	15
SWOT Analysis	16
Identifying the Competencies Needed to Meet Demand	17
Demand Forecast.....	17
Step I Define the Future: Inventory	19
Step 2—Analyze Current Workforce	20
Supply Projection.....	20
Assessing Competencies.....	22
Step 2 - Analyze Current Workforce: Inventory	23
Step 3 - Close the Gap	24
Gap Analysis.....	24
Gap Analysis Process Table	24
Strategy or Action Plan Development.....	25
Plan Implementation	27
Step 3 - Close the Gap: Inventory	29

Table of Contents Continued

Step 4—Monitor, Evaluate, Revise	31
Monitor	31
Evaluate	31
Revise the plan	32
Step 4 - Monitor, Evaluate, Revise: Inventory	33
 <i>Special Issues in Workforce Planning</i>	 34
Resources	34
Recruitment strategies	34
Retention Strategies	35
Training and Development	35
Performance Management	35
Changes in Employment by Occupation	36
 <i>Demographics</i>	 36
 <i>National Workforce Snapshot</i>	 36
 <i>Government Workforce Snapshot</i>	 37
 <i>Generations at Work</i>	 38
 <i>Glossary</i>	 40
 <i>Appendix A</i>	 42
 <i>Additional Resources</i>	 44

Background

The State of Alaska is facing significant challenges in recruiting and retaining a government workforce capable of delivering efficient, quality services to the state's citizens. The state anticipates significant increases in turnover, intensified competition for qualified employees, and fast-paced changes in how work is accomplished.

With nearly 60% of state employees at age 45 or older, the state is experiencing higher turnover due to retirement. This higher retirement turnover, coupled with normal attrition, will mean a significant loss in workforce skill and knowledge, with certain occupational areas hit harder than others.

At the same time, the State of Alaska is challenged to compete successfully with other employers for quality employees. Both nationally and in this state, there is a major labor market shortage. State government's compensation and civil service restrictions pose certain limitations that must be overcome to recruit and retain a productive, competent workforce.

To address these challenges before they become problems, agencies should be carefully preparing workforce plans and implementing creative strategies to ensure necessary staff levels and competencies are in place to carry out agency missions.

What is Workforce Planning?

In its simplest terms, workforce planning is getting *the right number of people with the right competencies in the right jobs at the right time*. This is a shorthand definition for a management framework for making staffing decisions and related investments based on an organization's mission, strategic plan, budgetary resources, and desired workforce competencies.

The National Academy of Public Administration (NAPA), an organization chartered by Congress to improve government at all levels, identified key elements to workforce planning in its May 2000 document titled *Building Successful Organizations: A Guide to Strategic Workforce Planning*. The key elements are:

- An integrated, methodical and ongoing systemic process;
- Identification of the human capital required to meet agency goals;
- Determining the number and competencies of needed workers and where and when they will be needed;
- Development of the strategies to meet these requirements; and
- Identifying actions that must be taken to attract and retain the number and types of workers the agency needs.

Many organizations, both public and private, have developed models for workforce planning. Putting aside variations in terminology, the processes are all very much alike. All rely on an identification of staffing levels and competencies needed in the future; an analysis of the present workforce (demographics, retirement projections, competencies, etc); a comparison of the present workforce to future needs to identify gaps and surpluses; the development of strategies for building the workforce needed in the future; and an evaluation process to assure that the workforce plan remains valid and that objectives are being met.

Workforce planning is rapidly becoming a fundamental human resource related business practice. As the pace of change continues to increase, effective human capital management is critical to successful business. According to the International Personnel Management Association (IPMA), some experts predict government will feel the impact of these rapidly changing times more profoundly than private sector as it struggles to convince the workforce it is an employer of choice.

What Workforce Planning is Not

When developing a workforce plan, it is important to keep in mind what that plan is not. It is not a static document that tries to predict the future or describe the past. Instead, a workforce plan focuses on developing information that can help an agency make decisions for the short term and the long term based on changing agency strategies. The plan is intended to help solve staffing problems related to employee movement into, around, and out of an agency.

Workforce Planning is...

Not just	It is
Predicting the future	Building a longer-term context for short term decision making
An inventory of all positions	Focusing on positions where the agency needs to be pro-active or needs time to react
Creating plans as a one time event	Creating plans in response to changing strategies, whenever change is discussed
Creating reports and lists that describe what is	Focusing on planning and looking ahead to what will be
Building HR capability	Solving staffing problems and addressing staffing issues

Source: 2002 IPMA Workforce Planning Resource Guide for Public Sector HR Professionals

Why is Workforce Planning Important?

The “why” of workforce planning is grounded in the benefits to managers. Workforce planning provides managers with a strategic basis for making human resource decisions. It allows managers to anticipate change rather than being surprised by events, as well as providing strategic methods for addressing present and anticipated workforce issues.

Organizational success depends on having the employees with the right knowledge, skills and abilities at the right time. Workforce planning provides managers the means of identifying the competencies needed in the workforce - not only in the present but also in the future - and then selecting and developing that workforce.

Background

Workforce Planning Benefits:

- Allows more effective and efficient use of workers.
- Helps ensure replacements are available to fill important vacancies.
- Provides realistic staffing projections for budgeting purposes.
- Ensures recruitment resources are used more efficiently and effectively.
- Provides better focused investment in training and retraining and career development and counseling.
- Helps maintain or improve a diversified workforce
- Helps an agency prepare for restructuring, reducing, or expanding its workforce.

Strategic Planning & Workforce Planning

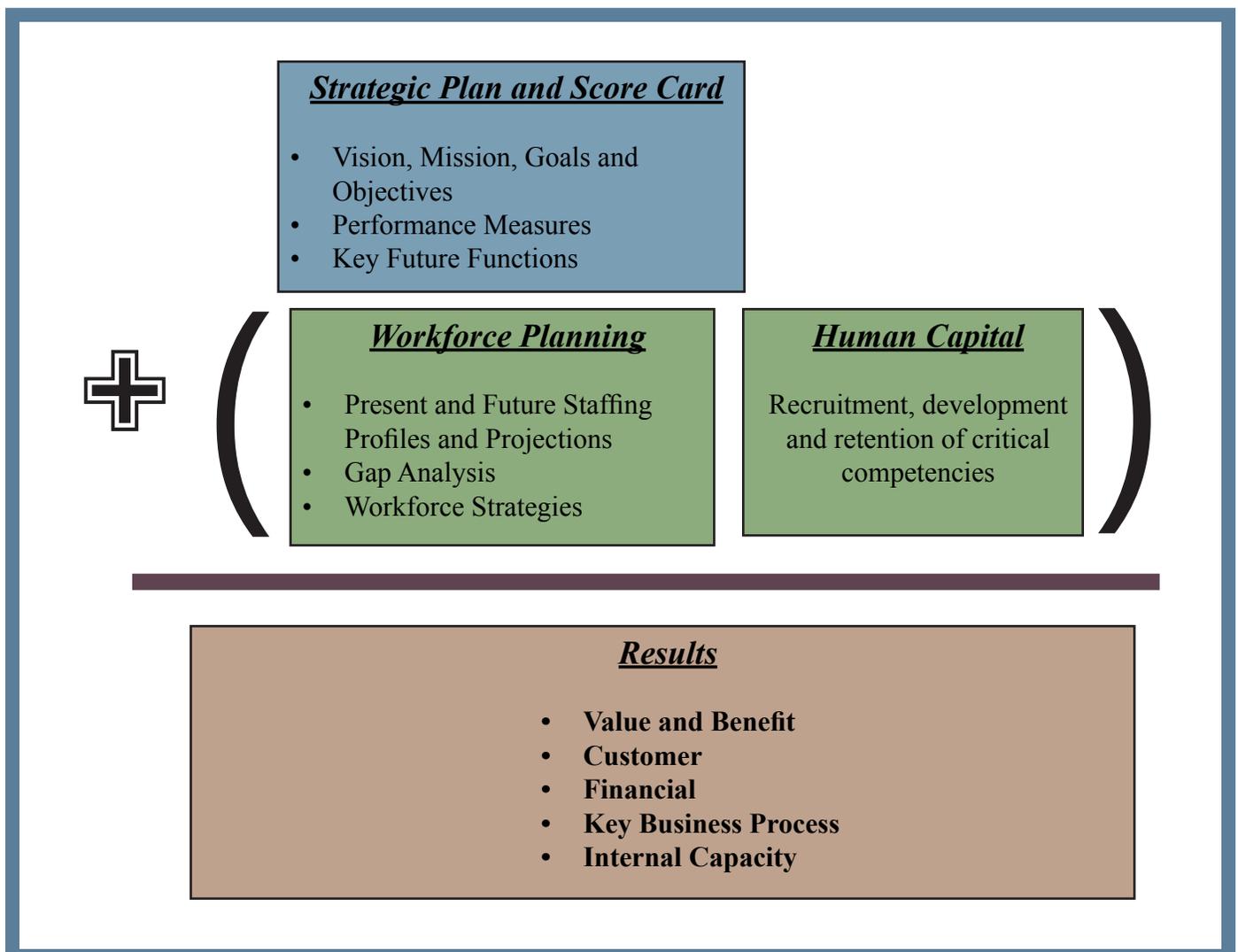
A Cooperative Effort

Strategic planning sets organizational direction and measurable program objectives. These goals and objectives not only provide the basis for determining necessary financial resources, but also provide the basis for workforce needs. If the right people with the right competencies sets are not in place, it is difficult to effectively achieve the organization’s strategic goals and objectives. The workforce plan highlights *the people factor* in achieving results.

Workforce planning requires strong management leadership and cooperative supportive efforts of staff in several functional areas. Strategic planning, budget, and human resources are key players in workforce planning. Human resources provides tools for building the future workforce through strategic recruitment, training, development, and retention techniques.

Managing for Results:

The People Factor



Getting Started

Build Support

Gaining and maintaining management and staff commitment to the workforce planning process is key to developing an effective workforce plan. Therefore, agencies should work hard to gain commitment at the beginning of, or very early in, the workforce planning process. The following techniques can be used to build support for the workforce planning process:

Obtain support from senior leaders within the agency. It is important that the head of the agency and other top leaders understand the value of workforce planning. Their commitment can determine its success or failure. Understanding the factors that affect the agency's future operations and competition will help convince senior leaders of the need for workforce planning.

Communicate benefits and results of workforce planning to managers and workers. Management should be involved in understanding the link between workforce plans and the budget, and workers need to understand how workforce planning affects them and the agency.

Establish a workforce planning team consisting of dedicated and knowledgeable employees from different functional areas and organizational levels. Trust for the workforce plan can be achieved by involving employees in the planning process.

Automate the process so data can be easily stored and retrieved, thereby simplifying the process. The more simple the process is, the more participation and acceptance agencies will have from those who are participating in the process.

Develop and implement a plan to ensure accountability within each participating division of an agency. This will help ensure success of the strategies within the plan and hold those who are not meeting the goals accountable.

Solicit feedback for improvements to the process. The workforce planning process should be continually reviewed and refined to ensure effectiveness and continuous improvement.

Take Some Important First Steps

Workforce planning can be a time consuming and cumbersome process. Regardless of how complex or simple an agency decides the workforce planning process should be, it will require input from cross-functional areas and levels within the organization. Before people assigned to participate in the workforce planning process conduct their analyses, they should:

- Clearly understand the purpose of workforce planning.
- Determine the time frame.
- Identify the available resources.
- Adapt models, strategies, tools, and processes specific to the agency's culture and needs.
- Identify planning outputs that are meaningful to the organization and that support agency objectives, budget requests, staffing requests, and strategic plans.

The capacity to perform effective workforce planning will take time to develop. It is critical to begin carefully and not take on too much too soon. Agencies might find it helpful to begin planning for a subset of the workforce and then extend planning through the remainder of the organization. Another method is to have the workforce plan occupationally focused, such as one dealing with engineering, nursing, and information technology positions.

Approaches to Workforce Planning

In general, agencies can take one of three approaches to workforce planning or use a combination of the three:

Workforce approach examines the current workforce and occupations and projects the number and characteristics of jobs and the number of employees needed to fill them at a specific point in the future.

Workload approach focuses on the amount and type of work the agency anticipates handling at a specific point in the future, and uses this information to project the number of resources (people and competencies) needed to perform that work.

Competency approach identifies sets of competencies aligned with the agency's mission, vision, and strategic goals. This approach assumes the agency has already considered workforce and workload and can focus not only on the number of people, but on the competencies employees must master for agency success.

Workforce Approach –profile people and occupations, and conduct workforce forecasts.

With this approach, the agency's goal is to analyze 1) the jobs that will need to be done, 2) the type of occupations needed to do these jobs, and 3) the number of people needed to achieve agency strategies. Current workforce demographics are a starting point to assess the workforce the agency will need in the future. The supply projection described in Step 2, the agency workforce report and the State's workforce demographics provide the data needed to develop the agency's current workforce profile. A traditional job audit may also help the agency get needed information. Specifically, the agency needs to evaluate:

- What jobs now exist?
- How many people are performing each job?
- What are the reporting relationships of these jobs?
- How essential is each job?
- What are the characteristics of anticipated jobs?

The next step is to project the current employee population into the future as if there were no new hires. Make projections at whatever level the agency desires, estimating the employee population over the next three to five years as if nothing were done to replace employees lost through attrition. The result will show the agency's demand for new workers if no appreciable changes in work or workload occur.

Workload Approach – assess critical work, determine processes that drive work, and forecast future workload.

This approach starts with the agency's strategic planning cycle, which identifies critical work (type and amount) the workforce must complete to achieve strategies. The agency captures workload data such as cycle time, volume, cost, and performance measures when feasible. It may also want to create flow charts for those key processes that will "drive the work" to aid in looking at efficiency and effectiveness. The agency may decide workflow re-engineering is necessary to reduce redundancies or inefficiencies, and this review may include considering further automation.

Workflow engineering may affect the strategies the agency uses during the planning period to project workload. Consider all relevant metrics (time, speed, cost, and volume) and translate the amount of work and the time it takes to complete that work into the number of people and critical competencies needed to perform the work.

Competency Approach

Competencies are sets of behaviors (encompassing skills, knowledge, abilities, and personal attributes) that, taken together, are critical to accomplishing successful work and achieving an agency's strategy. Competencies represent the most critical knowledge, skills, and commitments that underlie superior performance for the agency and/or within a specific job. The competency approach to workforce planning is futuristic and focuses on the "ideal" workforce. Competencies may be defined at several levels:

1. **Organizational:** core competencies identified during strategic planning
2. **Leadership:** the behaviors the agency expects all leaders to demonstrate or to develop
3. **Functional:** competencies that cascade from the core competencies and are associated with specific work functions or business units
4. **Occupational:** competencies that cascade from the core and functional competencies and then are anchored directly to the needs of a specific occupation
5. **Individual:** what each employee brings to his or her function
6. **Team:** what members of a team, in the aggregate, bring to their work

The agency will need to determine the competency definition levels essential to ensuring critical work gets performed. Strategic planning usually provides the means to pinpoint the most critical, or core, organizational competencies for success.

To use the competency-based planning approach, the agency needs to examine its workforce for current and future competency requirements. During strategic planning, managers will develop core competencies at the agency level.

Leadership, management, functional, and occupational competencies should flow from the core competencies and align with operational and functional work activities.

Individual and team competencies are also critical components of agency competencies. If individual competencies do not match agency needs, workforce planning efforts will point out these gaps. The agency can assess current worker competencies through several ways:

- Performance management tools already in place
- 360-degree evaluation instruments the agency can develop or purchase
- Assessment processes designed to specifically determine employees' current competencies, usually involving interviews with employees and supervisors
- A combination of the above

What is a competency model?

One way to assess competencies is with a "competency model," which is a map to display a set of competencies that are aligned with the agency's mission, vision, and strategic goals. These models are simple, visual representations of the most critical knowledge, skills and behaviors that underlie and drive superior performance in an agency and/or a specific job. The competency model is future-oriented and describes an ideal workforce. The competencies that make up the model serve as the basis for HR practices

in the agency since they play a key role in decisions on recruiting, employee development, personal development, and performance management.

A competency model helps an organization bridge the gap between where it is now and where it wants to be. This occurs in two ways. First, because it is based on the competencies that support the mission, vision, and goals of the agency, the competency model serves as a guide for management decisions. Second, the competency model serves as a map to guide employees toward achieving the mission of their agency and their functional areas. The result is that management and staff will have a common understanding of the set of competencies important to the agency. A well-developed and documented competency model will serve as the basis for organizational training and development activities as well as recruiting new employees with critical competencies.

Following are two examples of a competency model:

Competency Model for Customer Service

Competency: Customer Orientation—the ability to demonstrate concern for satisfying one’s external or internal customers

Supporting Skills with observable Behavioral Anchors:

Presents a cheerful, positive manner with customers

- Greets each customer within X minutes of the customer’s arrival in a pleasant manner
- Asks each customer if he/she needs assistance
- Provides assistance as requested; remains alert for other requests, but is not obtrusive
- Asks if there are any other transactions that the customer needs or wants
- Ends the interaction in a pleasant manner

Quickly and effectively solves customer problems

- Asks customers for specific information regarding the problem
- Paraphrases customer’s conversation to be sure problem is understood
- Determines the nature of the problem
- Takes care of the problem or refers customer to the appropriate division/department to handle the problem
- When referring to another department, contact that department for the customer to make any necessary appointments or other arrangements

Finds ways to measure customer satisfaction

- Monitors and tracks customer comments and/or complaints through various methods such as keeping a phone log.
- Asks customers if service has been satisfactory
- Follow up with complaints or comments with phone calls, letters, or other personal contact

Competency Model for Supervisors

Competency: The ability to effectively supervise one or more in employees in the performance of their jobs

Supporting skills with observable Behavioral Anchors:

Team Building

- Inspires, motivates, guides others towards goal accomplishment

Financial and Human Resources Management

- Assesses current and future staffing needs based upon organizational goals and budget realities
- Demonstrates broad understanding of principles of financial management and expertise to ensure appropriate funding levels

Accountability

- Assures that effective controls are developed and maintained to ensure the integrity of the organization

Vision

- Takes long term view and acts as catalyst for organizational change

Political Savvy

- Identifies internal and external politics that impact the work of the agency
- Takes long term view and acts as catalyst for organizational change
- Identifies internal and external politics that impact the work of the agency

Continual Learning

- Grasps the essence of new information

Problem Solving

- Identifies and analyzes problems
- Develops networks and builds alliances

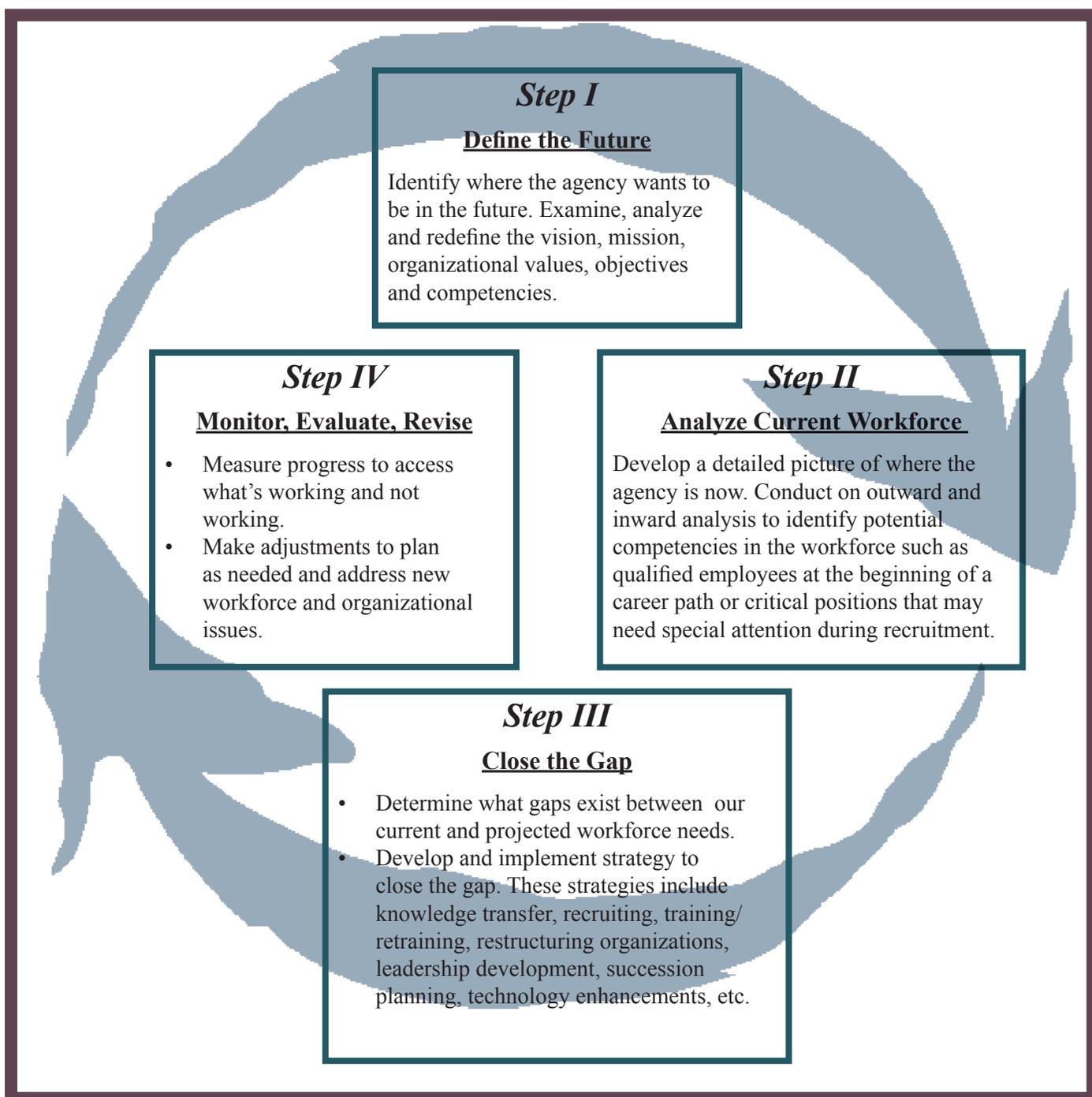
From Office of Personnel Management Leadership Competencies www.doi.gov/hrm/guidance

Workforce Planning Model

The Division of Personnel and Labor Relations has adopted a four-phase Workforce Planning Model as a suggested approach for agencies to follow. A summary of the model is depicted in the diagram below. It was derived from research of models used in a variety of public and private sector organizations, and adapted for applicability to the State of Alaska.

Each state agency has unique operating cultures and business needs. Therefore, it is fully expected that this model and its associated considerations, strategies, and tools will be modified by each agency to address its unique needs.

WORKFORCE PLANNING MODEL



Step 1—Define the Future

Workforce planning is a natural complement to strategic planning since it is through the workforce that the objectives of the strategic plan will be achieved. Workforce planning cannot be effectively accomplished unless a meaningful strategic plan has been prepared for the organization.

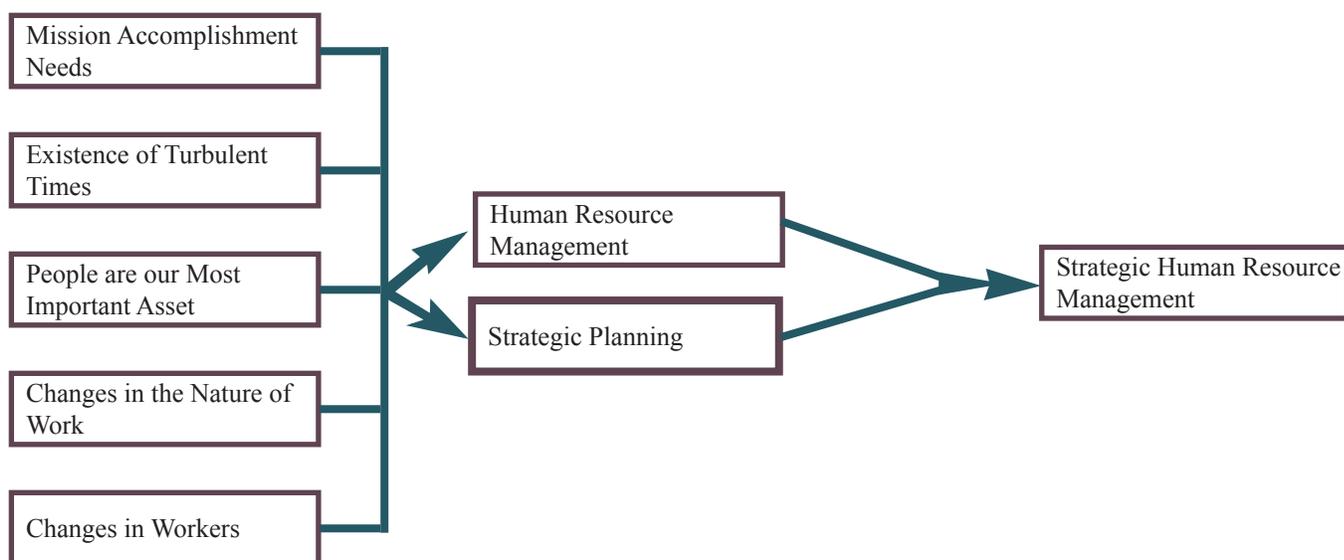
One of the main purposes of workforce planning is to ensure that an agency has the necessary workers to support its mission and strategic plan. In Step I, those responsible for workforce planning should identify the agency’s mission and the key goals and objectives of its strategic plan.

A strategic plan charts the future with broad mission-related targets and milestones. The agency’s vision, mission, and measurable goals and objectives drive the identification of what type of work needs to be accomplished. A workforce plan translates strategic thinking into concrete action in the area of workforce staffing and training needs. It attempts to answer the following questions:

- How many and what types of jobs are needed in order to meet the performance objectives of the organization?
- How will the agency develop worker competencies?
- What strategies should the agency use to retain these competencies?
- How have retirements, reductions in force, and/or hiring freezes affected your agency’s ability to get the work done?

The following illustration published in NAPA’s *Building Successful Organizations: A Guide to Workforce Planning* outlines the forces that drive the merger of strategic planning and human resources management.

WORKFORCE PLANNING MODEL - STEP I



Planning Levels

What is an appropriate organizational level for developing a workforce plan? While there is no single answer, a useful guideline in determining planning levels is to ensure the outcomes of workforce planning will relate directly to the organization's strategic plan, and preferably be carried out on a program-level basis where the front-line effects will be felt.

Identifying the individuals and partners and their roles within the agency is the beginning of the process. The most critical and timely of all of the responsibilities is to conduct strategic planning for the entire agency, since *strategic planning is key to defining the future. Once an agency has identified its mission, goals and objectives and knows where it needs to go, the agency can effectively identify the workforce it will need to achieve its mission and goals.*

Answering the questions below will help you define the future for your agency:

Vision— Where does the agency want to be in 5, 10, or 20 years?

Mission— Why does the agency exist?

Organizational Values— What beliefs in the agency drive employee and manager behaviors and performance?

Objectives— To what course of action is the agency committed?

Competencies— What competencies are needed in agency employees to ensure success?

When an operating agency has answered the questions above, it is ready to determine functional requirements.

The overall purpose of this step is to focus on function, not on people needed to do the job. Once a strategic plan is in place, the agency needs to think about what functions it will need to perform in order to accomplish its strategic mission. This may include many of the functions the agency is currently performing in addition to forecasting future functions and activities based on changes to mission, goals and objectives.

Neither key positions nor their work requirements will remain forever static. Unfortunately, the unsettling fact is that there is no foolproof way to predict key positions with absolute certainty. Some possible approaches to help agencies determine functional requirements are:

Functional Scanning – A systematic process of examining external trends. Focus attention on economic, government/legal, technological, social, geographical, and other issues affecting the organization's external environment. For best results, involve decision-makers in this process since key functional areas in the future should reflect the agency's plans and changing work processes.

Organizational Analysis – A systematic process of examining how an agency is positioning itself to address future challenges. It is an effort to assess an agency's strengths and weaknesses. Many organizations conduct a SWOT (strengths, weaknesses, opportunities, threats) analysis. The SWOT analysis is outlined in further detail later in this step. Consider these questions:

- How well-positioned is the agency to respond to the effects of future trends?
- What action steps can the agency take to meet the threats and opportunities posed by future trends?
- How can the agency maximize its strengths and minimize its weaknesses as the future unfolds?

As these questions are answered, agencies are encouraged to pay close attention to likely changes in organizational structure and work processes. Consider convening a small group of exemplary employees to answer these questions through a facilitated process as a first step.

Scan the Environment (SWOT)

Environmental scanning is conducted to help the agency shape its workforce plan in response to rapid workplace changes. Such scanning enables the agency to review and analyze internal and external Strengths, Weaknesses, Opportunities and Threats – the SWOT analysis. Environmental scanning addresses external and internal factors that will affect short-term and long-term goals.

[External Environment](#)

Opportunities and threats created by key external forces that affect the entire agency should be examined, such as demographics, economics, technology and political/legal and social/cultural factors (relative to employees, clients and competitors). For example, environmental scanning will help agency executives and managers understand recruitment/retention approaches and strategies competitors currently use to attract hard-to-find specialists.

Examples of the external data that can be used for the SWOT analysis include:

1. General information such as:
 - Demand for and supply of workers in key occupational fields
 - Emerging occupations and competencies
 - Net migration patterns
 - Retirement
 - Desirability of key geographic areas
 - Competitors in key geographic areas
 - Policies of major competitors
 - Labor force diversity
 - Colleges' and educational institutions' enrollments and specialties
 - New government laws and policies affecting the workforce
 - General economic conditions
2. Changing composition of the workforce and shifting work patterns including demographics, diversity, outsourcing, work patterns, and work shifts such as:
 - Labor force age
 - Labor force ethnicity
 - Growing occupations/ethnicity in the civilian labor force
 - Vanishing occupations/ethnicity in the civilian labor force
 - Emerging competencies/ethnicity in the civilian labor force
 - Labor force educational levels/ethnicity
 - Labor force secondary and post-secondary school enrollments/ethnicity
 - Labor force high school graduation/ethnicity
 - New social programs (e.g., school to work)
 - Terminated social programs
 - Current trends in staffing patterns (such as part-time or job sharing)
 - Technology shifts

3. Government influences – policies, laws, regulations affecting the workforce such as:
 - New employment laws
 - Revisions in current employment laws
 - Trends in lawsuits
 - Changes in rules and regulations (e.g., by the Environmental Protection Agency) that affect the work being studied

4. Economic conditions that affect available and qualified labor pools such as:
 - Unemployment rates – general
 - Unemployment rates in the specific geographic area of the agency (e.g., Kodiak, southeast)
 - Interest rates
 - Inflation rates
 - Interest rates in the specific geographic area
 - Inflation rates in the specific geographic area
 - Gross National Product trends

5. Geographic and competitive conditions such as:
 - Turnover data – general
 - Turnover data – industry and occupation specific
 - Secondary and post-secondary school enrollments
 - Enrollments in curricula needed to support agency strategies (e.g., nursing)
 - Net migration into the geographic area

Internal Factors

While it is important to identify threats and attractive opportunities in the external environment, it is even more critical to ensure the people and competencies are in place to meet those threats and take advantage of those opportunities. The agency needs to evaluate periodically its internal strengths and weaknesses. After examining external forces, the agency will want to do an internal assessment of what the agency can do before deciding what it should do. The agency needs to identify internal strengths and weaknesses in light of the philosophy and culture of the agency. Information the agency gathers will relate to capabilities, including current workforce skills, retirement patterns, and demographic profiles of current employees.

SWOT Analysis

A SWOT analysis brings together the external and internal information to develop strategies and objectives. The SWOT analysis develops strategies that align agency strengths with external opportunities, identifies internal weaknesses, and acknowledges threats that could affect agency success. Resources include the agency workforce report, State workforce demographics and U.S. Department of Labor and the State Department of Labor and Workforce Development's web sites. Budget considerations are also a major review component.

Example Matrix that can facilitate the SWOT analysis:

<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
Existence of previous strategic planning efforts offers several innovative solutions	Miscommunications, both cross-functionally and within agency	Personnel is assisting with more creative and flexible options (i.e., Student Intern positions and Flex staffing)	Shrinking applicant pool
Experienced workforce dedicated to mission. Employees feel “part of the team”	Lack of clear and measurable performance standards	Availability of information about best practices from DOPLR	Other organizations may attract employees away from us
Routine processes are well documented with clear instructions and desk manuals	Solutions to non-routine processes have not been documented	Several experts on staff are interested and willing to begin documenting unique solutions	Experienced workers could retire before documentation is completed

Identifying the Competencies Needed to Meet Demand

A key aspect of assessing the demand for human capital in an agency is looking at the competencies the agency will need to achieve its strategic goals. Even if the agency is largely using the workforce or workload approaches, it should consider the competencies its workforce will need.

The agency can identify its core competencies by studying how top performers succeed because competencies focus on the attributes that separate those high performers from the rest of the workforce. The agency can gather information in a variety of ways: administering employee questionnaires, facilitating focus groups, and interviewing managers and employees.

Two key elements in identifying competencies are:

Workforce skills analysis, which describes the skills required to carry out a function. Conducting workforce skills analysis requires the leaders of the agency to anticipate how the nature of the organization’s work will change and then to identify future HR requirements. This process spans the demand forecast and supply projection aspects of workforce planning.

Job Analysis collects information on successful job performance. Job analysis focuses on tasks, responsibilities, knowledge, and skill requirements as well as other factors that contribute to successful job performance. The information the agency obtains from employees during job analysis becomes the basis for identifying competencies.

Demand Forecast

The environmental scan, using the SWOT analysis, sets the stage for the demand forecast and the supply projection (step 2). In this critical activity, the agency looks at the additional people and competencies it will need. Using the defined future established at the beginning of Step 1 and the SWOT analysis, the agency can assess demand by factoring workload, workforce and competencies.

The demand forecast examines future activities, workloads, and the competencies the agency's workforce of the future will need. In demand forecast, the agency must consider workforce shifts driven by changing work tasks, workload, and technology. Even if none of those factors change, the agency will still have demand for more workers because of turnover in the current workforce.

The demand forecast generates:

- Quantitative data on anticipated workload and workforce changes during the planning period
- Quantitative and qualitative data on future competency requirements

The results of the demand forecast will establish requirements for the agency's future workforce and workload, and lead to an assessment of competencies. The information from the workforce and workload approaches are used in the demand forecast and help identify and define the competencies the agency will require.

The Demand Forecast deals with the workforce that will be needed to accomplish future functional requirements and carry out the mission of the organization. Based on the strategic plan, a visionary staffing assessment against future functional requirements is conducted. The result is a forecast of the type of competencies, numbers, and locations of employees needed in the future (e.g., 1 to 5 years out). This makes up the future workforce profile, the Demand Forecast.

An important part of the demand analysis process is examining not only what work the organization will do in the future, but how that work will be performed. Some possible considerations include:

- How will jobs and workload change as a result of technological advancements, economic, social, and political conditions?
- What are the consequences or results of these changes?
- What will be the reporting relationships?
- How will divisions, work units, and jobs be designed?
- How will work flow into each part of the organization? What will be done with it? Where will the work flow?

The future workforce profile created through the Demand Forecast analysis will display a set of competencies that describe the ideal workforce of the future. This set of competencies provides management and staff with a common understanding of the skills and behaviors that are important to the organization. Therefore, it plays a key role in decisions on recruiting, employee development, personal development, and performance management.

Agencies should make the Demand Forecast analysis as inclusive as possible. Employees will have a greater understanding and ownership of the model if they are involved in the process. It will also give them a clearer idea of what the organization expects of successful employees. In addition, since developing the model is a visionary process, organizations should take care to include diverse viewpoints to avoid tunnel vision.

Step I Define the Future: Inventory

Key Questions:

1. Has the agency been affected by or do you anticipate any new legislation (Federal/State) that will impact your workforce or agency operations?
2. Does the agency anticipate any expansion of current programs and activities that impact the workforce?
3. Is the agency planning for any de-emphasis or discontinuance of agency activity that would impact the workforce?
4. What new competencies will your workforce need by occupational category and what is the availability of those skill sets?
5. What is your agency IT strategy and how will your workforce be prepared for newly planned innovations?
6. What specific training and development requirements will be needed and what are the projected costs?
7. How will the workforce of the future impact the agency capital and financial plans?

Seek:

1. National, State and Local industry trends that may indicate possible legislative action and movements.
2. Increases in competition for employees that may affect recruiting efforts.
3. Planned attrition and the impact it will have on maintaining an experienced and skilled workforce.
4. Possible skill deficiencies and the impact on services.
5. Establish staffing benchmarks and determine best practice approaches to plan for costs and return on investment.

Tips:

1. Ensure agency succession planning efforts are accurate for the future.
2. Plan new program implementation to maximize and project necessary resources.
3. Target and constantly scan the environment for indicators of change and alignment with agency mission.
4. Benchmark similar states and organizations for organizational structure and the use of employee assets.

Step 2—Analyze Current Workforce

Analysis of workforce data is the key element in the workforce planning process. Workforce analysis frequently considers information such as occupations, competencies, retirement eligibility, diversity, turnover rates, and trend data. Questions agencies should consider include:

- Are there certain occupational groups with increasing worker turnover?
- Can factors influencing turnover be identified?
- Has turnover reduced the competencies of a certain occupational group?

Answering these questions should help agencies develop plans for stable staffing levels, succession planning, and skill development.

Supply Projection

Supply Projection involves: (1) developing the present workforce profile and, (2) projecting that profile into the future as if either no management action were taken to replace attrition or develop existing staff, or if only the normal course of action continues.

The result, at a minimum, should show the projected workforce supply in terms of staff numbers and competencies.

There are a host of factors that can be included in the present workforce profile, including:

- Number of employees
- Skill assessment of employees
- Job classification/occupation
- Salary level
- Age, gender, race
- Location
- Educational level
- Appointment status (permanent, temporary, etc.)
- Retirement eligibility statistics

Next, agencies should look at trend data, which provides a picture of what occurred in the past. It can also help an agency predict the supply of competencies that may be available in the future. Examples of trend data include:

- Workforce Profile from the Division of Personnel and Labor Relations
- Hiring patterns (time required to fill vacancies, average number of vacancies in a year, etc.)
- Retirement patterns
- Employee Movement Report (employee turnover statistics)

It may be helpful to break down the trend analysis by agency divisions or by occupational groups. Looking at trend data will help an agency project future workforce supply. It will also help an agency apply assumptions about how the variables listed above will influence the future workforce. Trend information combined with the current workforce profile is an essential building block for forecasting workforce supply.

Obtain necessary baseline data by reviewing changes in workforce demographics by job class, range, department, race/national origin, gender, age, length of service, and retirement eligibility. The agency can then develop valuable information on areas such as retirement eligibility or turnover for a given point in the future by projecting from current workforce demographic data.

Employee movement data for the agency can help identify baselines such as turnover rates. It can also provide powerful tools to forecast workforce changes in the future that may occur from actions such as resignations or retirements. Projecting demographic data can provide useful information on issues such as retirement eligibility.

Trend data can provide powerful predictors of how many employees will actually retire, resign or transfer. In conjunction with demographic data, employee movement data helps forecast opportunities for workforce change that can be incorporated into the action plan described in Step 3.

To summarize, for supply projection, analyze the current and future supply of human capital by considering:

- Quantitative data on the current and projected workforce
- Quantitative data on current and projected workload and competencies
- Qualitative data on current competencies

Once the current workforce profile has been prepared, project it out into the future as if no special management action were taken to replace attrition or develop existing staff. This projection can be accomplished by determining attrition rates for the organization and/or occupational areas and applying those to the present profile.

Assessing Competencies

There are a number of ways to assess competencies. Assessment methods vary in degrees of precision, complexity, and time and effort to administer. Before you can assess competencies you must understand what they are; competencies are the knowledge, skills, abilities, attitudes, and behaviors necessary to perform a job.

One relatively simple assessment method is to infer what the competencies are from the employees' job class specifications and position descriptions. This would give a very general idea of the number of employees who are presumed to have certain knowledge and competencies.

The problem with this approach is its lack of precision. For example, because it doesn't look at the employee, it will not identify available competencies that are not represented in the existing class specification. As such, the organization could miss some good opportunities for selecting and developing from within.

Nonetheless, as a first cut of where the organization has limited workforce planning capability, this may be the approach to take in the beginning.

A more precise approach is to conduct an actual assessment of employees' competencies levels. An actual assessment will provide more useful information for determining the number of those available and capable of fulfilling future functional requirements. It will give good information as to what recruitment, training, and other strategies need to be deployed to address workforce gaps and surpluses.

One way of determining actual competencies is to conduct a general assessment of employees using a checklist of the future desired skill sets that have been identified through the Demand Forecast. The checklist might also include a rating of skill set level, such as: advanced, intermediate, beginning or none. This information would be helpful for identifying succession planning or training strategies.

Conducting an actual assessment can get very complicated depending on what approach is taken. For example, some organizations conduct thorough job analyses and individual employee assessments by multiple sources, including the employee. The degree of precision needed by the organization, its culture, and time and resource availability are some of the key factors influencing which approach to take.

Supply projection examines the current and future composition of the workforce and workload. To perform this analysis, consider the agency's workforce, workload, and competencies as integrated elements. Use the SWOT analysis and the agency workforce report as the primary data sources. The demographic data provided in the agency workforce report and the State's workforce demographics provide "snapshots" of the current workforce for the supply projection process. To project the future workforce supply, use employee movement data to identify employment trends.

Step 2 - Analyze Current Workforce: Inventory

Key Questions:

1. Does the agency have a comprehensive workforce planning program that is linked to the agency's strategic plan?
2. Does the agency gather and analyze demographic workforce indicators; for example, critical information such as turnover, years of service, educational levels, age, race, and sex?
3. Does the current workforce have the adequate competencies to efficiently accomplish objectives?
4. Has the agency been able to recruit and retain talent competitively?
5. Does the agency maintain a formal succession plan that identifies key agency positions and potential successors?
6. Are agency structure and HR practices appropriately aligned for achieving goals and objectives?

Seek:

1. Key components of workforce planning in the agency's overall strategic plan.
2. Direct correlations of employee performance and agency outputs and outcomes.
3. Excessive agency or unit turnover which could indicate workload problems or other organizational issues.

Tips:

1. Review workforce data to analyze staffing, projected attrition and replacement needs. Agencies should consider the scarcity or abundance of the competencies required.
2. Maintain an employee competency inventory and monitor systematically to support developmental initiatives and match against internal competencies requirements.
3. Review recruiting efforts and identify hard to fill positions.
4. Review employee exit interview data for trends or other possible interventions.
5. Interview agency executives and key managers to get feedback on the effectiveness of organizational structure.

Step 3 - Close the Gap

This phase of workforce planning is comprised of three primary functions: (1) gap analysis; (2) strategy or action plan development; and (3) plan implementation.

Gap Analysis

Gap analysis is the process of comparing the workforce supply projection to the workforce demand forecast. An analysis should consider the composition of the workforce, including demographic characteristics, geographic location, size, and employee competencies level. The agency will eventually establish workforce strategies based on the results of this analysis. Analysis results will show one of the following:

- A **gap** (when projected supply is less than forecasted demand), which indicates a future shortage of needed workers or competencies.
- A **surplus** (when projected supply is greater than forecasted demand), which indicates a future excess in some categories of workers and may require action. The surplus data may represent occupations or competencies that will not be needed in the future or at least not needed to the same extent.

Examples of strategies to fill a gap include outreach, recruitment, training, and succession planning.

Examples of strategies to address surplus situations include retraining, transfers, or separation incentives.

Gap Analysis Process Table

<i>How</i>	<i>What</i>
<i>Assess</i>	<i>The current supply of human capital</i>
<i>Factor in</i>	<i>Variables and assumptions</i>
<i>To come up with</i>	<i>Supply of human capital, then</i>
<i>Compare to</i>	<i>Demand</i>
<i>To come up with</i>	<i>Gaps and Surpluses</i>

Source: 2002 IPMA Workforce Planning Resource Guide for Public Sector HR Professionals

Strategy or Action Plan Development

A wide range of strategies to address future gaps and surpluses exists. Strategies include the programs, policies and practices that assist agencies in recruiting, developing and retaining the critical staff needed to achieve program goals.

Once an agency identifies a workforce gap, it needs to develop and implement effective strategies to fill the gap. Critical gaps should be analyzed with care to ensure that timely action is taken before these gaps become a problem for the organization.

Several factors influence which strategy or, more likely, which combination of strategies will be most effective. Some of these factors include, but are by no means limited to, the following:

- Time.** Is there enough time to develop staff internally for anticipated vacancies or new competency needs, or is special, fast-paced recruitment the best approach?
- Resources.** The availability of adequate resources will likely influence which strategies are used and to what degree, as well as priorities and timing.
- Internal depth.** Do existing staff demonstrate the potential or interest to develop new competencies and assume new or modified positions, or is external recruitment needed?
- “In-demand” competencies.** How high the competition is for the needed future competencies may influence whether recruitment versus internal development and succession is the most effective strategy, especially when compensation levels are limited.
- Workplace and workforce dynamics.** Whether particular productivity and retention strategies need to be deployed will be influenced by workplace climate (e.g., employee satisfaction levels), workforce age, diversity, personal needs, etc.
- Job classifications.** Do the presently used job classifications and position descriptions reflect the future functional requirements and competencies needed? Are position descriptions updated regularly to reflect changing organization needs?
- Reorganization.** Will some divisions need to be reorganized to meet business needs and strategic objectives?

By developing an action plan after completing the SWOT, the supply projection/demand forecast, and the gap analyses, the agency has set priorities to fill gaps. These plans should be developed first around the most critical gaps the agency faces so that human capital can support strategy.

The agency will tailor its action plan based on its strategy to eliminate gaps. Some work processes may require re-engineering since competency needs may differ among occupational and work groups. Below are some general approaches to action planning.

Action Plan Table

<i>Actions</i>	<i>Ask</i>
1. Define required employee movement by identifying internal sources of workers	Can Movement be implemented through career development programs?
2. Define reductions in force	Can required skills be obtained through sharing resources? Can contracting be cost-effective
3. Define and redesign jobs	How will job redesign impact the current classification and compensation system?
4. Define recruiting needs and develop recruiting strategies by identifying recruitment sources for external sources of workers	Are there ways to maximize recruitment to minimize training needs of new employees?
5. Define training and development needs to support planned movement, redeployment	
6. Define critical job/competency needs and develop succession planning programs such as mentoring, “stretch” assignments, job rotations, etc.	Is there a commitment and budget to grow talent with internal staff?
7. Define diversity initiatives	Is diversity balanced throughout all levels of the agency?
8. Define those special competencies your agency cannot obtain and consider contracting out	Is it cost effective and/or good business practice to contract out for special competencies?
9. Identify changes to current HR programs (such as performance management) to address gaps	Can the performance management system develop talent to close the gaps?
10. Review quality of work/life issues to ensure you are an “employer of choice”	Is your agency healthy enough to retain the new talent?
11. Track organizational and operational productivity for improvements, goal attainment, and accountability	Are gaps closing? If not, why not?
12. Identify restructuring opportunities (organizational, functional, and occupational)	Is the organizational structure appropriate for conducting the required work?
13. Design a workforce plan to address skills	What is the cost associated with the strategies to address competency or skill gaps?

Source: 2002 IPMA Workforce Planning Resource Guide for Public Sector HR Professionals

Plan Implementation

Implementation brings your workforce plan to life. You may need a separate action plan to address the implementation of each strategy in the workforce plan. Before implementing the plan, agencies should consider:

- Ensuring organization buy-in and support
- Allocating necessary resources to carry out workforce strategies.
- Clarifying roles and responsibilities in implementing strategies. This includes identifying who is involved in implementing what, and where coordination among different parts of the organization or with different agencies is needed.
- Establishing time lines.
- Determining performance measures—milestones and expected end product.
- Communication of plan. The basis of the plan, as well as its elements, should be communicated to all employees. That is, why and how it was developed, how it will be applied, and how it will affect staff.

The Workforce Plan should be implemented in connection with the requirements of the organization's strategic plan. If the strategic plan timetable changes due to unanticipated customer, leadership, or legislative changes, adjustments to the Workforce Plan strategies may be needed.

The three key workforce plan implementation steps are:

1. Obtain management leadership and support
2. Develop change management strategy
3. Communicate

1. Obtain Management Leadership and Support

Workforce planning offers a way to systematically align organizational and program priorities with the money and human capital needed to meet those priorities. By beginning the planning process with identified strategic objectives, managers in the agency can develop workforce plans that will accomplish those objectives. Since there is a clear connection between objectives and the budget and human resources needed to accomplish them, workforce plans also provide a sound basis to justify budget and staffing requests.

Successful workforce planning requires commitment from top management and leadership. Senior-level managers must lead the planning process, ensuring that workforce plans are aligned with strategic directions, and holding subordinate managers accountable for carrying out workforce planning and using the results of the planning process.

The agency's program managers must lead the workforce planning process for their particular program areas and offices, with advice and assistance from DOPLR. Program managers will gain the most immediate benefits of workforce planning because the competencies of their own staffs will improve as well as become better aligned with strategic goals and directions for the agency.

Implementing action plans requires dedication, time and the resources needed to address the critical gaps or surpluses in workload, workforce, and competencies in the agency. This includes identifying specific actions to take – with whom, when, where, and how – and targeting specific movements, managing voluntary attrition, and improving staff utilization.

2. Develop Change Management Strategy

Workforce planning requires all stakeholders in the agency to seriously consider change, and change has to be managed. Workforce planning requires a vision of what is to be accomplished and what changes are needed to achieve that vision. Participants must be able to discard personal considerations and visualize the shape of things to come. This need for an objective view of the change process, along with the amount and depth of analysis needed, has prompted some agencies to dedicate resources or hire contract support for all or part of the workforce planning process.

3. Communicate

Communication is essential to the success of the workforce plan. Part of the agency's communication strategy should include training the people accountable for workforce planning and its implementation. Supervisors and employees throughout the agency should also be aware of the DOPLR programs available to provide them opportunities for growth, development and movement such as:

- Open enrollment courses
- Performance Management consultation
- Knowledge Transfer Plan development assistance.

Step 3 - Close the Gap: Inventory

Gap Analysis

Key Questions:

1. How will the anticipated demand for the agency services impact the size and competencies of the current workforce?
2. Does the current or future labor market indicate the appropriate availability of talent for which the agency is competitive?
3. Is the agency currently or projected to experience losses due to retirement, normal attrition or contraction?
4. How will the agency workforce plan impact the agency business activity, technology, capital, and financial plans?

Seek:

1. Deviation from normal operating procedures and the impact on agency service delivery.
2. Changing morale and work-life issues that may impact organizational performance.
3. Structural barriers, systems, policies and procedures that inhibit efficiency and change adaptability.
4. Insufficient budget and resource allocations.
5. Changing competencies requirements and the impact on current and future workforce.

Tips:

1. Identify and plan for short and long-term competencies sets that are necessary to meet future objectives and distinguish unique gaps.
2. Determine and create workplace culture plans that value individual and group contributions.
3. Plan and anticipate “current status” transitions to meet multiple and changing “to be status” environments.
4. Examine total compensation in today’s environment versus total compensation in the future.
5. Examine factors that impact the ability to compete for necessary resources and develop a plan to address them.

Strategy or Action Plan Development

Key Questions:

1. What strategies should the agency develop and implement to eliminate the gaps in your workforce planning program?
2. Are key stakeholders and agency leadership apprised of the concrete need for change and action?
3. Have the necessary resources or implementers of change been given the opportunity to provide input

in the action planning process?

4. What is the appropriate time-line to implement the agency workforce plan?

Seek:

1. Efforts by the agency's senior leaders to build teamwork and reinforce a shared vision for eliminating the workforce gap.
2. Agency alignment of performance management with goals in action plan.

Tips:

1. Involve all levels of agency employees in the action planning process.
2. Define performance criteria and appropriate measures for evaluation.
3. Coordinate with the groups formulating the capital and financial plans.

Plan Implementation

Key Questions:

1. Has the agency allocated the necessary resources to ensure an appropriate response?
2. Has the agency assigned responsibilities and provided role clarity in carrying out the plan?
3. Does the agency have a plan to conduct periodic monitoring to measure progress?
4. Has the agency designed and planned a comprehensive communications program to augment implementation efforts?

Seek:

1. Indications that the agency is making flexible use of its workforce, putting the right employees in the right roles across organizational boundaries.
2. Understanding of action plan by all levels of employees.

Tips:

1. Develop a project plan that establishes responsibilities with major milestones.
2. Conduct periodic meetings with key staff to discuss progress and phases of implementation.
3. Provide feedback to all levels of the organization.

Step 4—Monitor, Evaluate, Revise

Evaluation and adjustments are implicit in workforce planning or any good planning and project management process. If an organization does not engage in systematic review of its Workforce Planning efforts, it runs the risk of not responding to changes that occur incrementally from within or due to unanticipated external impacts.

Leaders should ensure that a process and schedule is in place to regularly review Workforce Plan implementation progress in order to:

- Review performance measurement information
- Assess what's working and not
- Make needed adjustments to the plan and strategies
- Address new workforce and organizational issues that might occur

Monitor

Continuously monitor program activities and any internal or external developments that may affect the action plans. The agency should be ready to address and make essential changes to the action plan when the environment demands change.

Agencies should ask themselves the following questions to determine whether or not the plan needs revisions:

- Have agency strategies changed?
- Are the assumptions used in both the demand and supply models still valid?
- Have there been changes that would cause the strategies to need revision?

Evaluate

There are many different methods to obtain feedback about how well the agency accomplished its action plan and how effective the outcomes have been. Obtain this information via meetings, surveys, focus groups, and review of accomplishment reports. Ask questions to determine whether the strategies and action items are effective. These include:

- Were the actions and strategies completed, and do they fulfill the goals?
- Did the action plan accomplish what the agency needed?
- If not, have the agency's strategies on which the plan is based changed? Are other factors preventing attainment of the goals?
- Are the assumptions of the demand forecast and supply projection still valid?
- Have the conditions changed so that the strategies need to be revisited?
- Is there a need to modify the action items?

Organizations both in the State of Alaska and nationally that have already been using workforce planning have found the following data collection tools to be helpful in determining whether or not the workforce plan is achieving results:

- Customer satisfaction inventories
- Program progress reviews
- Standardized questionnaires

In addition to collecting information from program users, the agency should measure the results of the workforce plan, looking for examples of efficiency and effectiveness such as:

- Do the workload and workforce gaps still exist?
- Are planning assumptions still valid?
- Are the skills of employees being developed quickly enough to become effective?
- Is there any imbalance between workload, workforce or competencies?
- Do the new recruits possess needed competencies?
- Has the cost to hire been reduced?
- Do adequate staffing levels exist?

Revise the plan

After evaluating workforce planning to determine progress, make necessary plan revisions. The agency must communicate changes to action plans in a timely manner, and allow questions and clarification. Similarly, achievements should be reflected in the agency's annual accomplishments and any reports that measure progress toward attaining strategic goals. Successful workforce planning is an active, ongoing, and dynamic process that must be repeated and adjusted.

Step 4 - Monitor, Evaluate, Revise: Inventory

Key Questions:

1. Have all major milestones in the agency plan been completed?
2. Did the agency make the appropriate investments in education and training to help its employees build the competencies needed to achieve the agency's shared vision?
3. Has the agency recruiting and hiring strategy supported short and long-term goals?
4. Does a review of the agency competencies inventory indicate the elimination of gaps previously identified?
5. Has the agency deployed its workforce appropriately to maximize effectiveness and efficiency?
6. What did the agency learn from the workforce planning process?
7. What changes need to be made?
8. How will the agency implement what was learned?

Seek:

1. An explicit link between competency improvement and agency performance.
2. An increase in the quality of hires and their associated performance.
3. Testimonial evidence from employees and management that necessary training and development is relevant and encouraged.
4. Indications of integrated work unit coordination and communication.
5. Strategies that worked well in this planning cycle as well as those strategies that did not work as well as intended.
6. Key staff that played major roles in those areas.
7. Process and structural improvements that enhance the agency's ability to accomplish goals and objectives.

Tips:

1. Get feedback from managers and staff on the effectiveness of the performance management system and its return on investment.
2. Analyze and review performance appraisals and progress in employee development.
3. Review agency's operating budget spent on training and compare industry benchmarks.
4. Review recruiting efforts and look for reduced cycle times (from requisition to hire).
5. Review succession-planning efforts and determine effectiveness.
6. Ensure that workforce planning efforts are adjusted based on learning's and are again integrated into the agency strategic plan.
7. Review agency performance measurements and adjust to accommodate greater organizational efficiency.

Special Issues in Workforce Planning

While workforce planning affects all HR functions, it especially impacts recruitment and retention strategies, training and development, and performance management. Two special challenges in attracting workers are recruiting for occupations that are in heavy demand and for emerging occupations.

Resources

Successful workforce planning requires resources such as funding or staffing, and these should become a part of the overall agency budget. Often, the most costly component of workforce planning is the funding needed for ongoing training and development. One way to develop the agency's planning budget is to ask other agencies that have conducted workforce planning their costs. The [Resources](#) section of this desk reference provides a list of state governments who practice workforce planning. Effective workforce planning also requires dedicated staffing to ensure the process is ongoing, and that it is properly managed and implemented.

Recruitment strategies

Workforce planning will likely lead to changes in the agency's recruitment strategies. Employment in all categories that require education and training – that generally require an associate degree or higher – is projected to grow faster than the 14% average growth rate for all occupations. For example, occupations generally requiring an associate degree are projected to grow 31%, faster than all other education categories, over the 1998-2008 period. There will be fierce demand for these new workers.

Gone are the days when applicants flocked to government employment and the role of HR was to test and select the “best of the best.” Today, government agencies must be proactive in ensuring they have the right people at the right place at the right time to meet agency objectives. Proactive approaches to recruitment include:

- Internet recruitment
- Employee referral programs
- Job fairs
- Professional associations and conferences
- Radio and television advertising
- Executive recruitment firms
- Campus recruitment and outreach, including internships
- Print media
- Candidate databases of interested applicants

Retention Strategies

It is just as important to keep employees as it is to attract them in the first place. Although the strategies involved in keeping them are listed as retention approaches, some may actually convince potential employees to choose your agency as their “employer of choice” because of a work environment that is productive, flexible, and meaningful. Strategies to consider include:

- Flexible work schedules
- Promotion from within
- Organizational assessment surveys
- Employee input in decision-making
- Employee recognition
- Safe and attractive facilities
- Timely and thorough communication

Training and Development

As technology and other factors change the nature of some jobs, employers will need to keep staff up-to-date and prepare them for roles of increasing responsibility and leadership. Although continually hiring individuals with the requisite skills is one option for meeting the challenges of those changed jobs, it is not an option that will fulfill most agencies’ needs and preserve the knowledge amassed by current employees. Strategies to create a learning organization and develop employees to their fullest potential include:

- Tuition reimbursement
- On-the-job training
- Technical and developmental training
- Mentoring
- Lateral transfers
- Individual development plans

Performance Management

Performance management plays a critical role in workforce planning and is often the weakest link in the talent management strategy of an agency. Performance management comes into the workforce planning process at both the supply projection and demand forecast steps. It is also a factor in recruitment and retention for employer-of-choice agencies. In other words, talented people want to work with other high performers like themselves.

In the public sector, performance management has been most successful as a development tool facilitated by supervisor-employee discussions on strengths and weaknesses with the goal of enhancing future performance. As public entities are asked to be more accountable for accomplishing agency goals and objectives and using resources well, the move to performance-based rewards is becoming more common. This trend goes hand-in-hand with the need for workforce planning.

Changes in Employment by Occupation

Difficulty filling positions in certain occupations is often the first indication major changes in the labor force are under way. Currently, for example, many government agencies have difficulty recruiting and retaining nurses, IT professionals, correctional officers, and other public safety employees, and these are just a few examples of hard-to-fill positions.

Demographics

According to the State of South Carolina workforce planning experts, addressing the challenges of agencies' workforces will be the #1 strategic issue for HR practitioners over the next ten years. Nationally, the U.S. is facing a workforce crisis that will be playing out between now and 2010 because of the convergence of 2 demographic trends in the population:

- A dramatic increase in the percentage of the general population ages 50-69 (The Age Bubble)
- A significant decrease in the percentage of the population ages 30-44 (The Prime Workers)

Approximately 70 million Baby Boomers (born 1946-64) are in the workforce and comprise most of the Age Bubble. Approximately 40 million Generation Xers (born 1965-76) are in the workforce and comprise most of the Prime Workers. This means the number of Baby Boomers who will become retirement eligible between now and 2015 will increase dramatically while the pool of replacement workers is shrinking.

National Workforce Snapshot

The proportion of older workers (defined as age 55 and up) is expected to increase an average of 4% *per year* between 2000 and 2015.

Source: The U.S. General Accounting Office, 2001

Workers age 25-44 will decline by 3 million by 2008, while during the same period, workers age 45+ will increase by 17 million.

Source: U.S. Bureau of Labor Statistics

If the present trend continues the U.S. will face a labor shortage of 4.8 million workers in 20 years. College educated, highly skilled workers will be in particularly short supply.

Source: Employment Policy Foundation, 2001

Nineteen million skilled people with disabilities in America are unemployed.

Source: Diversity Training Group

A U.S. survey by Accenture found that 38% of the 500 middle management respondents are currently looking for another job. Another 10% plan to do so when the economy improves.

Source: *Training*, December 2003

Currently, the government sector (federal, state and local) is the hardest hit by these population demographics. Other factors compounding the national public sector workforce crisis are:

- Growth in government programs during the 1960s and 1970s created a hiring bulge. Most of those hires are approaching retirement today.
- Downsizings, hiring freezes, reductions in force, and budget cuts in the early 1980s, 1990s, and again today have contributed further to a skewed distribution of workers—limiting opportunities for an infusion of newer employees to enter or remain in the workforce.
- Recent budget cutting tactics have increased the early retirement options for seasoned workers—accelerating the retirement wave and contributing to “brain drain.”
- Cuts in Training and Development budgets have, over time, resulted in an inadequate pipeline of newer workers who are prepared to replace the seasoned workers as they retire.

Government Workforce Snapshot

Workforce changes will occur with regard to education and training in the next decade. Although educational levels should rise, the portion of the workforce with short-, medium-, and long-term on-the-job training will decline. Thus, the states can expect to encounter a more educated workforce, but not necessarily one that is better trained for a specific job.

Source: State of South Carolina, 2005

46.3% of government (all levels) workers are age 45 or older. In the private sector, 31.2% are 45 years and older.

Source: 2003 The Center for Organizational Research A Division of Linkage, Inc.

27.3% of government (all levels) workers are under 35 years of age. In the private sector, 43.2% are 35 years and under.

Source: 2003 The Center for Organizational Research A Division of Linkage, Inc.

At the federal level, almost one-third of all supervisory staff were eligible to retire by the end of 2003. 75% will be eligible within the next 7 years, as will nearly 60% of non-supervisory employees.

Source: 2003 The Center for Organizational Research A Division of Linkage, Inc.

Nationally, more than 11% of state government jobs are reported as vacant. Alaska lists a vacancy rate of 9%. However, the State of Alaska has a turnover rate of 29%.

Source: 2002 Survey by the Council of State Governments and NASPE, 2006 Employee Movement Report by DOPLR

Increasing diversity is changing the face, values, behaviors, skills, expectations, and attitudes of the workforce. Diversity is an often used term and frequently thinking goes to issues of race or gender. Yet the ways in which a workforce can be diverse go far beyond these two factors. Consider the phases described below:

1960s and 1970s

- Social movements
- Diversity legislation, often interpreted as a requirement to hire diverse employees, particularly women and minorities, to “fill quotas”
- Initiatives were quantitative rather than qualitative

1980s and 1990s

- Understanding differences
- Emphasis on awareness of and sensitivity to the characteristics of individual groups
- Initiatives typically were ad hoc training programs for individuals that may have opened up communication and valuing differences, but also may have contributed to additional stereotyping of groups

Current

- Managing differences
- Emphasis is on the premise that organizations, not just individuals, can learn to manage differences in ways that will make workers more productive and compatible team members
- Initiatives focus on organizations finding ways to integrate systemic changes into their ways of doing business

Age or generational differences is one of the ways in which a workforce can be diverse. For the first time in modern U.S. workforce history, four generations are working side by side. These generational demographics and differences have significant implications for:

- Workforce planning and development—succession management, leadership development, capacity building, knowledge transfer, etc.
- HR policies and services such as recruiting practices, benefits packages, training methodology, etc.
- Workforce productivity - issues re: multiple generations working side by side, management styles, behavioral “norms”, etc.

Generations at Work

Each generation has its unique views and expectations of careers, management, learning, and success. These differences are sometimes expressed as “young people today have no work ethic,” or “everyone seems OK with the change except the old folks.” Consider these “common” generational differences:

- Seasoned senior employees are impatient with Generation Xers who question traditions and don’t see a need to “work their way up the ladder.”
- Generation Xers are unhappy about being labeled as disrespectful slackers with cavalier attitudes.
- Both groups wonder about “Generation Me” or “Nexters” or who appear optimistic, collaborative, and techno-literate.

Veterans/Silent
Born 1922-1943

Presidents George Bush and Jimmy Carter,
John Glenn, Jane Fonda

Baby Boomers
Born 1944-1960

Presidents George W. Bush and Bill Clinton,
Oprah Winfrey, Bruce Springsteen

Generation X
Born 1960-1980

Michael Jordan, Tiger Woods, Mia Hamm,
Mariah Carey

Generation Me/Nexters
Born 1980 and Forward

Britney Spears, Serena Williams, Charlotte
Church, Daniel Radcliff

Each generation also has its own set of values which may drive behavior.

Veterans/Silent—value stability; respect for authority

Baby Boomers—define themselves by their work; they are what they do

Generation X—value techno-literacy; want “balance” and a “lifestyle”; do not define themselves by their work outcomes

Generation Me/Nexters share some of the Veterans’ values; confident; casual; don’t see a need to follow the chain of command

These differences have implications for HR systems and practices and agencies should consider:

Recruitment—What workplace environment / job characteristics might appeal (or not) to the different generations?

Hiring/Selection—What is the focus of the interview? Prior work experience v. values when finding the best “fit” for a particular vacancy

Management—What are expectations regarding manager’s role, style, retention? What is the degree of structure needed/expected?

Organizational culture—What are expectations regarding hierarchy, chain of command, authority, formality, communicating information (meetings, email)?

Compensation and benefits—Are needs similar at different stages of life?

Training & Development—How does each generation define success? Career success? What are expectations regarding expectations of the agency’s responsibilities to the employee for training, development and promotional opportunities?

Glossary

At Risk Occupations – Occupations where projections indicate the demand for the occupations will decline at a rate greater than normal attrition are potentially “at risk”. These occupations will be reflected as surpluses when data from the demand forecast and supply projection are compared.

Competencies – The knowledge, skills, abilities, attitudes, and behaviors necessary to perform a job.

Critical Skill Gaps – Gaps in those competencies essential to the organization in order for it to carry out its mission and accomplish its strategic objectives. Whether a competency is critical or not is determined by its inherent significance to the organization, not by its external availability. Not all gaps from the comparison of demand forecast and supply projection data will be critical skill gaps.

Demand Forecast – The future workforce profile of staffing levels and competencies needed to meet future functional requirements.

Effectiveness – A measure of the success of strategic workforce plans based on achieving desired results.

Efficiency – A measure of the success of strategic workforce plans based on time, speed, cost, and volume.

Gap Analysis – A comparison of the Demand Forecast with the Supply Projection to determine future gaps (shortages) and surpluses (excesses) in the number of staff with needed competencies.

Gaps – The amount by which needs, as expressed by the demand forecast, exceed resources, as expressed by the supply projection.

Human Capital – Simply stated, “people” and their competencies. Human capital embodies two key principles. First, people are assets whose value can be enhanced through investment. Like any investment, the goal is to maximize value while minimizing risk. As the value of an agency’s people increases so does the performance capacity of the agency and, therefore, its value to clients and other stakeholders. Second, all human capital policies and practices should be designed, implemented, and assessed against the standard of how well employees help the agency achieve its shared vision.

Shared Vision – The mission, vision for the future, core values, goals and objectives, and strategies that define the agency’s direction and expectations for itself and its people.

Strategic Staffing – Addressing the staffing implications of strategic and operational plans. Similar to workforce planning, this approach also considers other HR activities such as employee classification and development.

Strategy Development – Appropriate recruitment, development, and retention strategies and timelines to address gaps and surpluses to ensure that the organization will have appropriate staffing to meet its future functional requirements and carry out its mission.

Succession Planning – The process of 1.) pinpointing key needs for intellectual talent and leadership throughout the agency over time, and 2.) preparing people for present and future work responsibilities.

Supply Projection – The present staffing and competencies profile projected out if no management action was taken to replace attrition and develop staff.

Surpluses – The amount by which resources, as expressed by the supply projection, exceed needs, as expressed by the demand forecast.

Talent Management – The ongoing effort of succession planning that covers all positions within in an agency.

Workforce Planning – The process of ensuring that the right people are in the right place at the right time to accomplish the agency’s mission. A systematic process for identifying and addressing the gaps between the workforce of today and the human capital needs of tomorrow.

Glossary

Appendix A

SAMPLE WORKFORCE PLAN

OPERATING AGENCY: _____

POINT OF CONTACT: _____

Voice: _____ Fax: _____

- A. INTRODUCTION (General comments from the Commissioner)
- B. MAJOR ORGANIZATIONAL MISSIONS / STRATEGIES / OBJECTIVES that the Workforce Plan supports.
- C. CRITICAL SUCCESS FACTORS
- D. WORKFORCE DATA
 - 1. Demand Forecast
 - 2. Supply Projection
 - 3. Identification of gaps and surpluses
 - 4. Critical Skills Gap Analysis
 - 5. Analysis of At Risk Occupations
- E. KEY MILESTONES
- F. ACCOUNTABILITIES
- G. INTEGRATION ISSUES
- H. DEVELOPMENT AND IMPLEMENTATION SCHEDULE
- I. COMMUNICATION PLAN

Acknowledgements

Formatting and content for this desk reference and guide was inspired by the **IPMA** publication, “Workforce Planning Resource Guide for Public Sector Human Resource Professionals.” The demographics section of the desk reference is based on the **State of South Carolina** Human Resource Professional Development Program and specifically the one-day course titled, “The State Government Workforce.”

Resources

Web sites:

<http://shrm.org/> (Society of Human Resource Professionals)

<http://www.ipma-hr.org/> (International Personnel Management Association)

<http://www.naspe.net/> (National Association of State Personnel Executives)

State Workforce Planning web sites:

Texas www.hr.state.tx.us/Workforce/

Virginia <http://www.dhrm.virginia.gov/workforceplanning.html>

Georgia www.gms.state.ga.us/agencysservices/wfplanning/

South Carolina www.state.sc.us/ohr-index.phtm

Washington <http://hr.dop.wa.gov/workforceplanning/Default.htm>

Publications:

Workforce Planning Resource Guide for Public Sector Human Resource Professionals, IPMA
OPM Workforce Planning Model, Office of Personnel Management, U.S. Federal Government

Additional Resources

Division of Personnel and Labor Relations, State of Alaska publications:

[Workforce Planning—Quick Reference for Managers and Supervisors](#)

[Knowledge Transfer Tools](#)

[Skill Gap Analysis Power Point](#)

[Succession Planning For State Agencies](#)

[HR Update \(published monthly\)](#)

[State of Alaska Workforce Profile \(published annually\)](#)

Division of Personnel and Labor Relations offers open enrollment classes designed to assist managers and supervisors. For a list of the classes, dates, and times, go to <http://dop.state.ak.us/website/index.cfm?fuseaction=TrainingDevelopment.main>

Division of Personnel and Labor Relations management services consultants are ready to assist you with workforce planning efforts. Contact information for the HR Service Centers is below:

Resource Group Service Center, serving the Departments of Fish and Game, Natural Resources, and Environmental Conservation can be reached at 465-2463.

Public Protection Service Center, serving the Departments of Corrections, Public Safety, and Military and Veterans' Affairs can be reached at 334-2606.

General Agencies Service Center, serving the Departments of Law, Administration, Commerce Community and Economic Development, Education and Early Development, Revenue and Labor and Workforce Development can be reached at 465-2498.

Transportation and Public Facilities Service Center can be reached at 465-6956.

Health and Social Services Service Center can be reached at 465-2308.

State of Alaska
Department of Administration
Division of Personnel & Labor Relations

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The Workforce Planning Desk Reference and Guide for Managers and Supervisors is written by and produced for the employees and clients of the State of Alaska, Division of Personnel & Labor Relations.

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