Workforce Planning Guide

Succession, Replacement, & Future Requirements

Corporate Services Department
Human Resource Planning & Services Division

Winnipeg
Embrace the Spirit

How to Use This Guide – and Why

Workforce planning is a critical component of human resource planning, one of the top four organizational priorities identified in the City's *Human Resource Strategic Plan.*

Workforce planning is simply the process of ensuring that the "right people are in the right place at the right time" to accomplish the mission and achieve the goals of the organization.

This *Workforce Planning Guide* presents a step-by-step framework for managers to follow in developing workforce plans for their departments. This guide is intended to be flexible, so that users can concentrate their efforts on those steps in the process most critical to their needs.

Why Workforce Planning?

As of 2002, the average age of civic employees is approximately 43 years. Analysis conducted in 2000 for the development of the City's *Human Resource Strategic Plan* indicated that 30 % of the City of Winnipeg workforce can retire by the end of 2005 based on age or service, and 50 % can retire by the end of 2010.

Analysis of eligibility to retire in the City (by National Occupational Groups) showed the following - all eligible to retire by the end of 2005:

- 32% in the Skilled Sales and Service category (639 employees)
- 32% in the Intermediate Transportation / Equipment Operator / Installation and Maintenance category (426 employees)
- 25% in the Clerical category (354 employees)
- 18% in the Trades Helpers / Construction / Labour and Related category (212 employees)
- 13% in the Technical and Skilled in Art / Culture / Recreation and Sport category (130 employees)

During the next 5 - 8 years, the City will face a significant turnover among its "baby boom" employees as they retire from the workplace.

In addition, over the last decade, the City has been steadily reducing its workforce from approximately 11,000 employees in 1990 to less than 8500 today. As a result of this downsizing, there is a shortage of younger employees (ages 25 - 35) in the organization in positions to succeed those employees expected to retire. The City must implement a proactive integrated workforce plan to prepare its current workforce, and to attract new hires, to meet future requirements.

Replenishing its workforce over the next decade presents the City with a significant challenge. It also provides the City with a tremendous opportunity.

Over the next 10 -15 years, Manitoba is expected to experience significant growth in the number of Aboriginals and visible minorities entering the labour market. For example, it is projected that by 2016, 25% of all new entrants to the City's labour market will be of Aboriginal ancestry. The number of Aboriginal peoples with post-secondary education tripled between 1981-1991, with an increase from 3.5% in 1986 to 5.7% in 1996. We need to plan now to compete successfully with other orders of government and the private sector in attracting candidates from this changing labour pool.

This *Guide* is intended to help managers move forward to meet our challenges and address opportunities.

Definitions

Competencies – Competencies are the measurable characteristics of a person that are related to success at work. These may be:

- Behavioural skills
- Technical skills
- Attributes, or
- Attitudes

Designated Groups – In Canada, four groups have been identified as having faced arbitrary and unfair employment barriers: women, Aboriginal people, people with disabilities, and visible minorities.

Human Resource Requirements – e.g. the number required, characteristics or competencies, when they will be required, where they will be located

Replacement Planning – a strategy within workforce planning. (It may also be necessary as a result of a lack of workforce planning.) While workforce planning and succession planning are proactive and long-term, replacement planning is reactive, concerned with filling a specific need in the short term. It may take the form of external recruitment or preparing employees to perform existing jobs.

Strategies – actions to obtain and retain the numbers and types of employees needed

Succession Planning – a strategy within workforce planning that is concerned with developing current employees to assume positions required to support the future continuation and growth of the organization

Workforce Planning – a process of analysing an organization's human resource needs under changing conditions and developing the activities necessary to satisfy these needs. Workforce planning is a systematic process for identifying the human resource requirements necessary to meet future organizational goals; and developing strategies to meet those requirements.

Workforce Planning involves three phases and eight steps:

Phase 1 **What work must your department or work area do to accomplish its mission, achieve its goals, and implement its strategies?**

Step 1 Analyse Strategic Goals and Objectives
Step 2 Determine Future Functional Requirements

Phase 2 **Who can do what needs to be done and how will they do it?**

Step 3 Develop a Future Workforce Profile (Demand)
Step 4 Develop a Current Workforce Profile (Supply)
Step 5 Identify Workforce Requirements (Gap / Surplus Analysis)

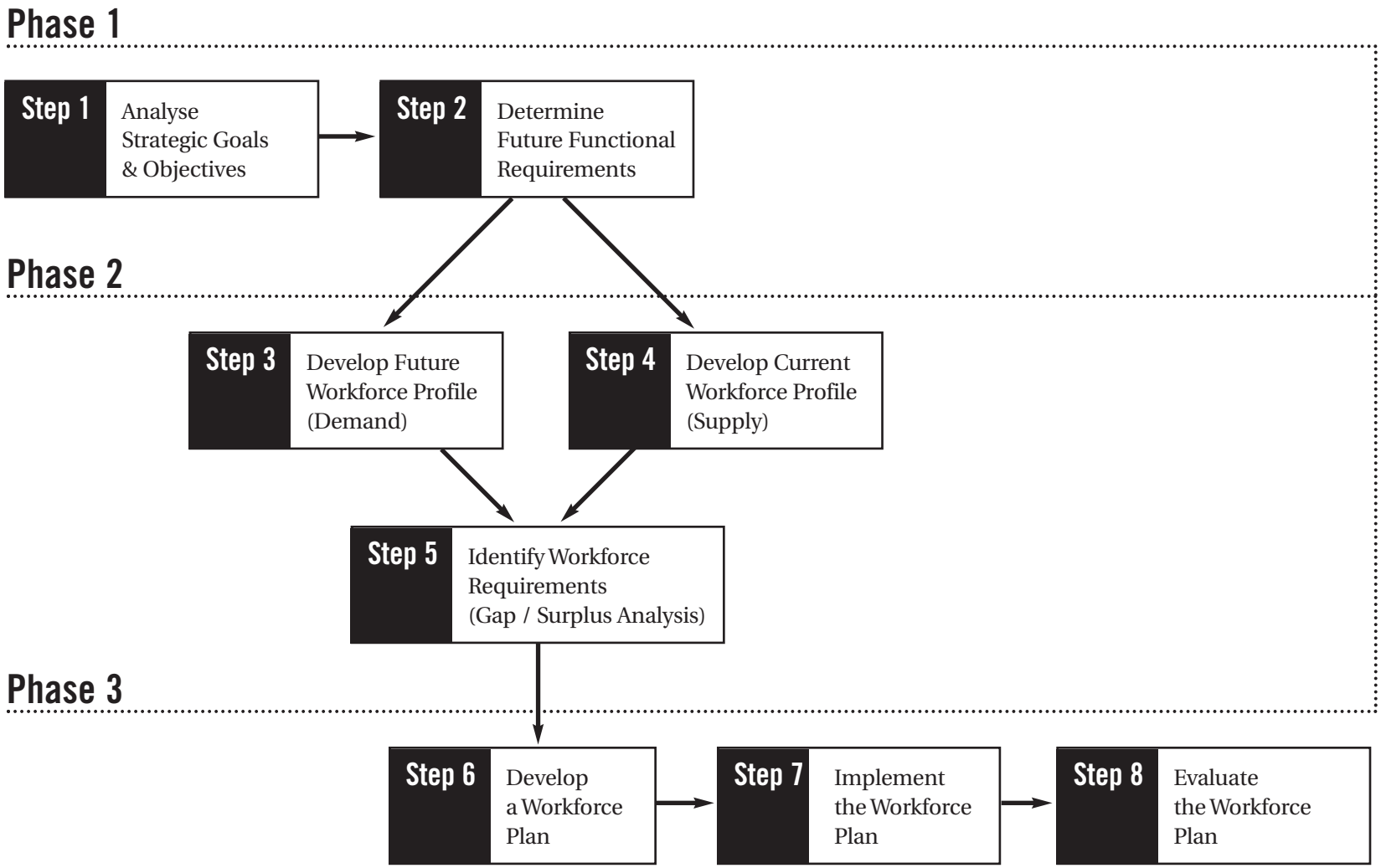
Phase 3 **Choosing the Right Strategy**

Step 6 Develop a Workforce Plan
Step 7 Implement the Workforce Plan
Step 8 Evaluate the Workforce Plan

NOTE

The workforce planning process should serve your department or work area needs. It is not an end in itself. If conditions change significantly, you should not hesitate to modify your Workforce Plan and its strategies accordingly.

Workforce Planning



Phase 1

What work must your department or work area do to accomplish its mission, achieve its goals and implement its strategies?

Step 1 Analyse Strategic Goals and Objectives

Step 2 Determine Future Functional Requirements

NOTE

This phase may be iterative. Steps 1 and 2 may be completed in conjunction with one another as decisions resulting from Step 2 could affect plans developed in Step 1.

Step 1 Analyse Strategic Goals and Objectives

What is your strategic direction?

- Review your department's Business Plan, the City's *Human Resource Strategic Plan*, the *Action Plan for Diversity* and other long-term organization, department, or work area plans and direction
- Analyse citizen / stakeholder needs and requirements
- Begin communicating the planning process to staff by involving them in this strategic review as it relates to their functional areas

NOTE

The long-term success of your Workforce Plan depends in part on employee involvement. Clear communication with your staff will help you attain employee understanding of your process and objectives, and buy-in to your plan.

It is important to be open about your intentions. You may need to address rumours and / or allay fears regarding the process. Workforce and succession planning are not about grooming selected individuals; they are about creating as wide a pool as possible of qualified candidates.

Step 2 Determine Future Functional Requirements

What functions will need to be performed in order to accomplish your strategic direction and achieve your organizational goals?

Examine the impact of your external environment. Consider:

- Economic factors
- Legislation
- Political issues
- Technology
- Social influences

How well positioned are you to address future challenges?

Conduct an organizational analysis of your department or work area, including:

- SWOT analysis
- Develop plans to:
  - address threats and opportunities
  - maximize strengths and minimize weaknesses
  - address other internal issues (e.g. union / management issues)

For example:

- What are the core services provided by your department and how might the external or internal influences listed above influence the delivery of, or the demand for, these services?
- Is there legislation pending or social issues developing that will influence the services you provide or the way in which they are provided?
- How might technology change the way services are offered and what changes to work practices would be necessary as a result?
- How will divisions, work units, jobs be designed?
- Will any of these require discussions with the unions / associations?

NOTE

It would be appropriate at this step to obtain input from line managers and staff regarding the organizational analysis and the implications of the internal influences and external environment for their work.

Phase 2

Who can do what needs to be done and how will they do it?

Step 3 Develop a Future Workforce Profile (Demand)

Step 4 Develop a Current Workforce Profile (Supply)

Step 5 Identify Workforce Requirements (Gap / Surplus Analysis)

Step 3 Develop a Future Workforce Profile (Demand)

What kind of workforce will you need in the future?

1. Conduct a Staffing Assessment

Analyse your department or work area's needs regarding future competency mix and staff size relative to the functional requirements identified in **Step 2**. This will give you a forecast of the type of skills, and numbers and locations of employees over the next 3 - 5 years.

Develop "model" organizations that can be applied to projected activity levels from the projected plan. How will your area need to be organized or structured to accomplish what will need to be done?

- For example, will you need do-ers to get things done, or administrators to oversee work that is contracted out?
- Remember, you may have more than one option. Examine each one.

Some questions to ask:

- How will jobs within your department or work area change as a result of technological advances, economic and social influences, etc.?
- What are the likely consequences / outcomes / results of these changes?
- What competencies will employees need to accomplish the work of the future? (Apply the Lominger *Leadership Architect*® competencies to help you determine the required competencies.)
- What other skills or qualifications will be required to perform key roles in your department or work area?
- What designated group representation do you intend to achieve, and in which occupations?
- How will work flow throughout your department or work area?

NOTE

The Lominger *Leadership Architect*® is a competency tool purchased by the City of Winnipeg to be used as the basis for defining competencies required of employees to be successful in performing their jobs. It includes a dictionary of 67 competencies that are required to a greater or lesser degree, depending on the nature of the work performed. The Lominger *Leadership Architect*® package and facilitation assistance are available from departmental Human Resource staff or through Human Resource Planning and Services in Corporate Services.

2. Develop Demand Data

Project your workforce demand. Determine how far and how fast your department or work area can move toward the ideal staff projected in the staffing assessment. This will be affected by:

- Program / operational strategies that will impact staffing levels
- Lead time and level of effort required (e.g. construction schedules, training needs)
- New organization initiatives requiring additional staff (or different skills)
- Pending legislation
- Environmental issues
- Desired skill, experience, and designated group mix in view of existing workforce demographics
- Impact of special programs on staffing needs

Step 4 Develop a Current Workforce Profile (Supply)

What kind of workforce is currently available to you?

1. Internal Issues

- Analyse your department or work area's current competency / skill mix, qualifications and staff size. (Apply the Lominger *Leadership Architect*® competencies to help you determine the competencies.)
- Review your department or work area's current age and service demographics to project potential retirements
- Review your department or work area's historical rates for resignations, transfers and other departures. This will help you to project future turnover to determine annual percentage attrition rates.
- Examine the data by occupational groups, work units, competency / skill sets, classification groups, etc.
- Review your department's designated group representation at the occupational group level

NOTE

It is useful to analyse the components of the attrition rate. This will help you make adjustments due to the impact of special circumstances (e.g. planned voluntary retirement programs, reduction in accumulated sick leave entitlement effective December 2004, etc.).

2. External Issues

Develop demographic data on external labour supply – especially regarding future availability of those possessing your department or work area's critical competencies, and / or designated group availability. *(Consider Statistics Canada projections, HRDC labour market projections, college and university enrolments, etc.).*

ISSUE: Who will conduct this analysis?

	PROS	CONS
External Consultant	more objective access to industry data done quickly	higher cost lacking knowledge of organization lack of commitment from management
In-house Staff	lower cost learning experience buy-in / enthusiasm	steep learning curve limited access to industry data time-consuming staffing limitations

OR a combination of in-house staff and external consultants, to maximize the pros and minimize the cons

3. Communication Issues

Determining the current competency / skill mix of employees is a major undertaking requiring the involvement and input of all employees. Communication of this step must emphasize that this analysis will provide a focus for employee development to meet future needs in your department or work area, as well as in the overall organization. Your staff need to know that workforce and succession planning are not about grooming selected individuals; they are about creating as wide a pool as possible of qualified candidates.

In whatever way your plan addresses employee development requirements, it is important to ensure that your implementation plan includes active demonstration of your commitments in this area. Clear follow-through on your plan, and open communication regarding employee development activities, will help sustain employee understanding, buy-in, and commitment.

Step 5 Identify Workforce Requirements
(Gap / Surplus Analysis)

Where are the gaps or surpluses between your current and future workforce requirements?

- Compare the demand data (Future Workforce Profile) with the supply data (Current Workforce Profile) to determine the gap or surplus situation that will exist in future years. Pay particular attention to gaps in critical competencies / skills, designated group representation, etc. and to the identification of "hot spots" or "at risk" work units or occupations.
  - For example, you may find that particular occupations or work groups (such as engineers, accountants, trades positions, etc.) currently have an aging demographic, or are difficult to recruit. These might constitute critical areas requiring specific attention. Other occupations may not be as vulnerable depending on the availability of skilled resources in the "feeder group" for that job.
  - Which occupational groups are under-represented by designated group members in your department?
- A Gap indicates a future shortage of needed employees or competencies / skills.
  - Analyse your gap data to identify areas where you need to take action. Can this be accomplished through workforce planning or is the current need so great that you must engage in replacement planning?
- A Surplus indicates a future excess of some categories of employees.
  - Analyse your surplus data to determine occupations where skills will no longer be needed in the future. Employees in these areas will need to be retrained and / or redeployed.

Choosing the Right Strategy

Step 6 Develop a Workforce Plan

Step 7 Implement the Workforce Plan

Step 8 Evaluate the Workforce Plan

Step 6 Develop a Workforce Plan

What proactive strategies are needed to meet your future workforce requirements?

- Identify workforce strategies to resolve issues that surfaced during your analysis of demand and supply data (gaps, surpluses, critical competencies / skills issues, "at risk" occupations, etc.)
- Ensure your workforce plan strategies align with the requirements of your department's Business Plan and other departmental strategic planning, as well as the City's *Human Resource Strategic Plan* and *Action Plan for Diversity*
- Some possible strategies to address internal succession planning issues:
  - Align career development programs with the reality of your department or work area's future competency / skill needs
  - Assist employees in developing and aligning their career plans with the future needs of your department, work area, and / or the overall organization
  - Ensure that training / development programs enable employees in "at risk" occupations to transition to fill competency / skill gaps
  - Support redeployment efforts within the organization with targeted training and development
  - Collaborate with educational institutions and agencies and associations to provide education / training directed specifically at your department or work area's needs
  - Develop special initiatives (corporate assignments, job rotation, project teams, internal partnerships, mentoring, on-the-job training, etc.) to address the special developmental needs of employees and enhance retention through career development

- Some possible strategies to address external issues:
  - Underfill positions and train employees to the required level of competency
  - Partner with educational institutions or other employers and agencies to provide education / training directed specifically at department or work area needs (e.g. apprenticeship training, internship programs, etc.)
  - Develop recruiting plans where skill gaps cannot be met or where replacement planning is urgent

Step 7 Implement The Workforce Plan

What can you do to support successful implementation of your plan?

Implementing your workforce plan brings it to life.

- Develop a communication plan to support implementation
- Involve employees as well as their respective unions / associations
- Communicate the basis of the plan, as well as its elements, to all employees. Remind them of how the plan was developed as well as any assumptions made.
- Communicate with employees through every step of implementation
- Remember to build evaluation into your communication plan so that you can determine its effectiveness for **Step 8**

Effective communication to staff throughout the development and implementation of the plan is vital. It will contribute to employees' perceptions of the plan's value and their feelings of ownership over the results.

NOTE

When developing your communication plans and materials, remember to call on the expertise of communication staff within your department. If your department does not have communication staff, please contact Human Resources Planning and Services for assistance.

Step 8 Evaluate The Workforce Plan

How will you determine the effectiveness of your plan?

- The workforce planning process is a continuous process of forecasting, clarifying and identifying organizational workforce needs. At a minimum, it should be reviewed in conjunction with your department's annual business planning process.

- Some questions to ask include:
  - Have your department or work area's strategies, upon which your workforce plan is based, changed?
  - Is another staffing assessment needed for next year?
  - Are the assumptions of the demand and supply model still valid?
  - Was your communication plan effective?
  - Did your plan accomplish (or is it accomplishing) what you need?
  - Have conditions changed so that you need to revisit your strategies?

NOTE

The workforce planning process should serve your department or work area's needs. It is not an end in itself. If conditions change significantly, you should not hesitate to modify your Workforce Plan and its strategies accordingly.

Resources

The following resources are available to assist you in developing Workforce Plans and Strategies:

Corporate Services, Human Resource Planning and Services
(*Human Resource Strategic Plan* and workforce planning facilitation)
Contact: David Laird 986-5756

Corporate Services, Human Resource Planning and Services
Equity and Diversity Branch
(diversity statistics and diverse workforce strategy assistance)
Contact: Jackie Halliburton 986-4603

Corporate Services, Human Resource Development, Corporate Education
(Workshops - Introduction to Project Management, Project Management Fundamentals, Facilitation Skills, Succession Planning and Work Competencies, etc.)
Contact: Registrar 986-3191
http://citynet/hrintra/empdev/coursecalendarmain.stm

Corporate Services, Research and Internal Services
(employee demographic information, COGNOS support)
Contact: Jody Harris 986-6851

Human Resource Development Canada
(labour market data)
www.hrdc-drhc.gc.ca

Statistics Canada
(population demographics, economy, etc.)
www.statcan.ca

Management consulting firms

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