

NEWS

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Workforce Planning: Making It Fit

By Carolyn Kurowski and Fred Mills, Federal Management Partners, Inc.

Workforce planning has become increasingly common across federal agencies. Many HR or strategic planning offices now include a workforce planning branch or team. Twenty agencies have shared information about their workforce planning efforts on the Office of Personnel Management's (OPM) Web site, including the Departments of the Interior, Defense, Education and Health and Human Services. Since 2000, the Government Accountability Office (GAO) has issued more than 30 reports addressing the application and importance of human capital planning. Workforce analysis also plays a critical role in "getting to green" for the strategic management of human capital under the President's Management Agenda (PMA).

Yet, while everyone appears to agree that agencies need "the right people, in the right place, at the right time," the right way to accomplish this task is often less than clear. Despite its widespread acceptance, designing and implementing an effective and sustainable workforce planning process has proven to be an elusive goal. In this article, we will discuss the importance of customizing the workforce planning process to meet an organization's unique goals, needs and circumstances. Based on our experience with a number of federal agencies, we identify five factors that should be considered when crafting an organization's workforce planning approach.

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Case Study Workforce Planning: It's More Than Numbers – It's a Call to Action Riverside County, California

By Ron Komers, Assistant CEO and Human Resources Director

We've instituted a common practice in Riverside County, Calif. — the development and implementation of a workforce plan to drive the organization's strategic objectives. And never has this plan been as critical as it is now. We face many challenges, and major economic, demographic and technological changes are confronting a retiring management tier head on. Readiness to successfully address this potential collision will be a test for the county's leadership.

This article is not about the process of developing a workforce plan, but rather how the results of a workforce planning process are used to position the county for the changed workforce through the creation of short-term and long-term human resources strategies. This positioning includes not only changes in the "what" and the "ways" human resources does business, but also includes shifts in the role(s) HR takes in assisting county leadership to "ready" their own departments for the future.

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Inside this Issue

Workforce planning is one of the hottest topics in the industry, and this month we kick off the New Year with a series of articles and case studies on workforce and succession planning.

In addition, see p. 3 for a message from incoming Association President Lynda S. von Bargen, and don't miss our regularly featured columns: *CompDoctor* (p. 21), *Washington Update* (p. 23) and *Labor Relations* (p. 24).

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The Case for Workforce Planning

The argument for strategic workforce planning in the federal sector has most often been based on two circumstances: the downsizing efforts of the mid-1990s and the anticipated wave of baby-boomer retirements. In the last decade, federal agencies used reduction in force, early retirement and hiring freezes to decrease the number of full-time employees. However, too often these efforts were not based on strategic considerations or any assessment of the competencies that agencies would need in the future. Instead, they were focused on short-term headcount reductions, which often disproportionately affected younger workers.

The average age of federal workers has since increased and there are concerns about the effect of expected baby-boomer retirements over the next five to 10 years. According to OPM's Web site, "30 percent of the federal workforce will be eligible to retire in five years and an additional 20 percent could seek early retirement." The combined impact of these forces has many federal managers wondering where they will find the employees with the new skills and competencies needed in the future, while also retaining the institutional knowledge needed to carry on the work of the government.

As with most management tools, the concept of workforce planning is rational and compelling. In order to be successful in the years ahead, organizations should be thinking about and planning for their future human resources needs now. At first glance, the process for accomplishing this task appears equally straightforward: analyze your current staff; project your future staffing demands; identify the differences or 'gaps' between the two; develop solutions to address those gaps; implement the solutions; measure the success of the solutions. Easy, right? So why are so many federal departments and agencies still having trouble getting to yellow on their PMA scorecard, never mind getting to green?



One Size (Large) Does Not Fit All

All too often, agencies approach workforce planning with a "one size fits all" mentality. Agencies focus on the first step, engaging in massive data gathering efforts, trying to capture 30 or 40 data points on each individual employee, from date of birth to public speaking skills, etc. Table after table shows the average age, the expected retirement, and skill levels for the 20 or 30 occupational groups that work in the organization. Few consider what the results will mean or how they will actually use the resulting data. They waste valuable organizational capital asking supervisors and employees to provide information that often ends up going unused, or being used ineffectively.

Overwhelmed by the data gathering process, many agencies are unable to get past this step to really plan for their future workforce needs or to develop targeted, actionable solutions to their workforce issues. In lieu of data or analytically based results, some organizations fall back on broad, generalized findings

that are too disconnected to have a significant impact on the workforce (e.g., 'ensure leadership for the future'; 'acquire resources needed for success', etc.). This can reinforce employees' negative perception of strategic workforce planning, as well as other management initiatives or processes in general.

The key to effective strategic workforce planning is tailoring the process and methodology to the unique needs, objectives and circumstances of the individual organization. By first clearly defining what the agency wants to accomplish, as well as what it can realistically attempt, organizations increase the likelihood that they will develop a sustainable process that yields actionable results. Often, the process ends up being far less complex and daunting than initially feared. In the sections below we describe each of the five factors that we believe organizations need to consider when deciding what kind of workforce planning process will work best for them.

While this article deals with workforce planning efforts at the federal level, many of the concepts discussed here are universal and can also be applied to state and local agencies.

Factors to Consider in Designing the Process

1. Analytical or Data Foundation

Workforce planning requires data to inform management decisions about the future. What kind of information is currently available, or will need to be in the future? In assessing their current data sources, organizations should be especially mindful of the types of information they have to work with. For example, paper records and outdated systems can severely limit the scope of a planning process. And while one-time or customized data calls may work initially, the long-term utility of this approach is very limited. Once existing data is identified, planning should also begin for future data requirements and appropriate collection methods, to be phased in over time as needed.

It's also important to limit the new or additional data to only elements that are truly essential to determining the agency's future workforce needs. What do we really need to know to effectively plan for our most critical requirements, three to five years from now? Each new data element increases the burden of workforce planning, since the information must be gathered, entered and analyzed by someone. A good workforce planning process ensures that the value of this additional workload is clearly evident. It also provides simple, well-defined collection methods as needed, which can be easily replicated.

2. Administrative Tolerance

Some organizations are more formal and/or process-oriented than others, and have a greater degree of tolerance for administrative activities. Workforce planning has the potential to generate significant workload, and lots of administrative complexity, if not carefully designed and deployed. The degree of tolerance for this sort of activity is often linked to the size of the organization, but not always; some small agencies have highly structured administrative systems, while there are relatively large organizations that operate with surprisingly basic approaches. Whatever the prevailing norm, workforce planning needs to be compatible with how the organization does business in general.

Agencies may also want to consider a phased approach to build up the administrative tolerance of their employees and managers. It's a big mistake to try and move directly to a highly structured, data/process intensive effort in a small or very informal agency unaccustomed to these kinds of requirements. Imposing a highly complex, administratively demanding system on an organization 'cold' will almost always ensure that the workforce planning effort will be unsuccessful.

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3. Agency Culture

Matching the workforce planning process to the organization's predominant culture and values also helps to increase chances of success. For example, highly analytical organizations such as science and engineering agencies are often more comfortable dealing with extensive data tables and complex quantitative reports, and would expect the process to be rigorously structured and data oriented. By contrast, human services or artistic/educational organizations might be more amenable to an approach based on face-to-face discussion and deliberation, e.g., convening supervisors and managers to discuss existing workforce issues and determine the next year's recruitment and training goals.

Either approach is viable and can yield the kinds of information needed to do effective workforce planning, provided they are grounded in at least some level of objective information and keyed to an established analytical process. Again, careful consideration of the prevailing norms and accepted cultural practices in the organization is key to designing an effective workforce planning process.

4. Primary Audience(s)

Most agencies have multiple audiences for their workforce planning efforts, to include not just internal constituencies but also external parties with strong interests or expectations regarding the process. Agencies need to consider these various audiences, and their specific concerns, in designing a workforce planning process. For example, oversight organizations may require proof or justification for requests or claims. Departments or other higher-level entities may expect the information and analysis to be compatible with wider efforts. By considering audience needs, you increase the chances that results will be considered valid and solutions will be acted upon.

One critical caveat for this factor, however, is to avoid building a process that's exclusively or primarily oriented to the needs of external parties. As noted throughout, workforce planning can require a lot of an organization, so it's important that managers and employees see visible internal value and benefits for their efforts.

5. Organizational Health

Finally, the overall 'health' of the organization is important to consider in designing a workforce planning process. A major risk in undertaking this kind of effort is overreaching, both in process design as well as in attempting to address the workforce issues and challenges identified. There is often a natural inclination to want to build the most elegant system, or to fix every problem immediately; however, if the organization is deficient or weakened in some significant dimension — mission clarity, resources, morale, transition stage, etc. — an overly ambitious approach can do more harm than good.

Under these kinds of circumstances it's often better to take a 'triage' approach: establish a very basic workforce analysis process at first, that can at least identify the most immediate, critical workforce issues; and to then tackle only these high-priority, high-impact challenges initially. More often than not the kinds of workforce issues identified via this approach will be directly related to the agency's overall state of health. Using workforce planning to help address these core organizational issues can lay the groundwork for later acceptance of a more involved, rigorous process down the road.

Leadership - The Key to Success

Ultimately, workforce planning is only a tool that informs and supports management decisions. Workforce planning doesn't provide answers; it provides information. Leaders still need to create the strategic vision, think about the future and make reasoned judgments about workforce needs, provide the resources to address issues and challenges, and sustain the organizational will for change. Those responsible for designing the workforce planning process can best support agency leaders by carefully considering the factors described here — and by 'making it fit.'

Carolyn Kurowski, MA, is a consultant and Fred Mills, MPA, CCP, is a principal consultant with Federal Management Partners, Inc., a strategic human resources management consulting firm in Alexandria, Va. —

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