BEST PRACTICES IN WORKFORCE PLANNING

Aligning Your Talent Portfolio with Future Organizational Needs

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Future Capacity Planning, Human Capital Planning, or Workforce Planning Defined

- Workforce Planning is the alignment of an organization’s human capital with its strategic direction.
- It is a methodical process of analyzing current talent and determining future direction.
- It is identifying the gap between the present and future.
- It is implementing solutions so the organization can accomplish its mission, goals and objectives.
- All Workforce Capacity Planning models rely on:
  - Analyzing the current workforce.
  - Identifying the talent needed for the future.
  - Comparing present staff capacity to future needs.
  - Identifying gaps and planning to eliminate those gaps.
  - Evaluating this process and its results to assure a future that meets plans.

Sources:
- International Public Management Association for Human Resources
- www.ipma-hr.org
- www.bls.gov
- www.workforceonline.com
- Sibson Consulting Human Capital Planning Practice
- www.sibson.com

“Future Capacity Planning” is the term typically used in higher education to describe workforce or human capital planning.
“Succession planning” is a component of Future Capacity Planning

- A process designed to ensure the continued effective performance of an organization by making provision for the development and replacement of key people over time. Succession planning is generally considered to be a strategy of work force planning
  www.goer.state.ny.us/workforce/glossary.html

- is the use of a deliberate process to ensure that staff are developed who are able to replace senior management as required
  wps.prenhall.com/wps/media/objects/213/218150/glossary.html

- Planning for a business (organization) to pass to the next generation of owner/managers
  www.bwfa.com/glossary/s.htm

Future Capacity Planning considers the big picture and is embedded in institution strategy; succession planning is a subset of Future Capacity Planning.

Talent Portfolio Issues Restrict Growth and Success

TALENT PORTFOLIO ISSUES

- Over and/or under-staffed units can impact institutional cost structure, financial stability and ability to deliver organizational mission

- Inappropriate skill mix results in missed opportunities (under-skilled) or fixed costs that limit flexibility and new successes (over-skilled)

- Inability to quickly deploy people where potential occurs can result in missed opportunities or service that can lead to revenue erosion and a lost sense of success

- Having the wrong type or pipeline of qualified administrators, leaders, and faculty can directly impact an institution’s ability to successfully execute on its strategy and plans
**Staff Planning Approaches**

<table>
<thead>
<tr>
<th>Workload Approach</th>
<th>Workforce Approach</th>
<th>Competency Approach*</th>
<th>Capacity Approach*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Examines the current workforce and projects the effort needed to meet incremental demands</td>
<td>Examines the current workforce and occupations and projects the number and characteristics of staff and the FTE needed to fill these positions at specific points in the future</td>
<td>Identifies sets of competencies aligned with the organization’s mission, vision, and strategic goals. This approach assumes the organization has already considered workforce and workload issues and can add focus on the competencies needed for future organizational success</td>
<td>Uses all three approaches in order to develop performance abilities that will support growth and new organizational challenges. It incorporates elements of environmental scanning and is meant to support responsiveness to opportunity</td>
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* Competency and Capacity Models Incorporate organizational core competencies, expected leadership abilities, talents specific to functions, units and careers, and addresses successes of individual and teams.

**Traditional Workforce Planning Processes**

- Are often a “headcount” exercise with limited value that only enables organizations to forecast the number of people required primarily on an aggregate basis
- Are driven by budget requirements and annual operating plans (e.g., how many staff can we afford) versus the disciplinary investment and support strategy required over time
- Fail to adequately identify the relationship that various roles have on achieving strategic objectives thereby removing any insight that could be used to make informed investment decisions
- Fail to take into consideration dynamics of the internal and external labor market that clearly have and will effective future talent supply and demand

Traditional workforce planning lacks the insights, analytics, and information that enable leaders to make fact-based and informed human capital decisions.
Future Capacity Planning—
A Process That Links Strategy to Workforce Planning Needs

Greater linkage and value is realized through the FCP process that answers the following questions:

- What disciplines and functional competencies are most/least critical to achieving our strategic objectives?
  - What disciplines do we need to build or strengthen?
  - What disciplines do we need to stabilize or reduce?
  - What administrative functions do we need to strengthen, refine, reduce or eliminate?
  - What administrative functions should undergo process redesign, be centralized, decentralized, or automated?

- What will result from anticipated retirement, turnover, promotions, and re-assignments?
- Do we have talent gaps? If so, where are they? How big are they? What is the expected service, financial, and operational impact if left un-addressed?
- What actions are required to close these talent gaps and ensure we have the right top flight staff when and where we need it?
- How will contingent staff contribute to future strategy?
- What should the plan, priorities and actions of the HR organization be to ensure it is fully aligned with and supporting strategy?

Future Capacity Planning brings fact-based insights, analytics, and information to the strategic decision making table regarding staff needed to successfully execute strategy.

Future Capacity Planning links strategy with operational objectives to ensure relevancy and support.

Key input into this process is the strategic plan, key output will be information that informs annual operating plans and budgets.
Use the concept of segmentation to develop action plans relative to talent needs

Segmentation enables support of staff through attraction, development and retention—managing your Human Capital like a portfolio of assets

<table>
<thead>
<tr>
<th>TALENT SEGMENT</th>
<th>POTENTIAL ACTION</th>
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<tbody>
<tr>
<td>Strategic</td>
<td>Build</td>
</tr>
<tr>
<td>• Critical to driving long-term direction with specialized skills or knowledge</td>
<td></td>
</tr>
<tr>
<td>Core</td>
<td>Protect</td>
</tr>
<tr>
<td>• Unique to the enterprise and core to delivering on its mission and its service processes</td>
<td></td>
</tr>
<tr>
<td>Requisite</td>
<td>Streamline/Outsource</td>
</tr>
<tr>
<td>• Essential but could be delivered through alternative strategies (other than full-time headcount)</td>
<td></td>
</tr>
<tr>
<td>Non-Core</td>
<td>Sunset</td>
</tr>
<tr>
<td>• Unrelated to the organization’s mission, no longer aligned with strategic direction</td>
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</tbody>
</table>

Tailored analytics will identify the type and number of roles and people required to execute your strategy

Deriving net number requirements goes well beyond counting heads. It requires analytics that understand current staff capability and expected dynamics

What roles and skills are needed?

What is the needed productivity of staff in those roles?

What is the needed capacity of staff in those roles?

What is the total or full time equivalent number of people needed yearly (quarter/month) to execute strategy?

What are the dynamics of the current talent pool (e.g., turnover rates, etc.)

What performance and results can we expect from the current staff?

What is the net number of people needed each year (quarter/month)?
FCP provides insight into the composition of talent gaps and the options for closing them.

Determining how to fill the gaps requires dissection of each gap to understand where the shortage comes from and understand the options to close the gap.

**Additional Talent Needed Through Acquisition (5)**

**Talent Without Capability Fit, Cannot be Trained (3)**

**Talent Without Capability Fit, Can be Trained (5)**

**Talent with Capability Fit (7)**

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**Role B**

**Total Talent Needed (20)**

**Hiring Gap (8)**

**Training/Redeployment Gap (5)**

**Support and Retain (7)**

**Total Gap (13)**

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**Major steps and activities in Future Capacity Planning**

1. **Scan the Environment**
   - External environment, internal environment, SWOT analysis
   - What is
     - Business need
     - Work expectations
     - Competitor models
     - Labor market position
     - Culture
     - Performance requirements

2. **Supply and Demand Analysis**
   - Employment by occupation; critical skills
   - Source analysis
   - Attrition forecast
   - Internal growth
   - Critical needs demand analysis
     - Discipline needs
     - Competency needs
     - Support ratios

3. **Gap Analysis**
   - Current capacity (load, need, competencies and capacity)
   - Variables and assumptions
   - Gap/surplus to demand analysis

4. **Action Plan**
   - Deployment plans; program expansion/contraction, redeployment, succession plan, reductions in force
   - Organization, position and process re-designs
   - Recruiting needs by discipline and competency over time by career family and organizational unit
   - Training and development designed to meet organizational performance needs
   - Diversity initiatives
   - Performance management support
   - Contingent workforce planning
   - Outsourcing and contract management
   - Culturally and environmentally supportive policies and practices
2005/06 CASE STUDY: Northern Arizona University Television Services Department

OUR FUTURE is closer than we think…

Where We’ve Been…

We’ve delivered

➢ The leap to digital technologies: voice, video, and data
➢ Curriculum development and program production for elementary Spanish and at-home schooling
➢ Building and supporting the infrastructure for University and students to deliver and access content on demand

We face continued challenges

➢ Improving the reliability of our infrastructure
➢ Building out and promoting our broadcast capabilities
➢ Keeping tabs on what our peer institutions are offering
➢ Understanding the University’s and our students’ needs and expectations

Our work has a direct impact on the University’s most important objectives: Increasing student enrollment and meeting their expectations once they’re in the door.
Where We’re Going…

Our transformation to digital technology paved the way for change
- Job roles and responsibilities changed for most staff
- Skills required in the new environment continue to evolve
- Yet, our formal job titles, job descriptions, and organization structure have not kept pace

And the demand for our services should only continue to grow
- NAU’s distance learning enrollment is on the rise
- Urban centers will continue to expand
- Our leadership responsibility for ARU will likely have a significant impact
- Restructuring of the university system and its impact on the delivery of distance learning services may provide further opportunities

Defining “Alignment”
## A Critical Step In Getting There

<table>
<thead>
<tr>
<th>Review</th>
<th>Revitalize</th>
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<tbody>
<tr>
<td><strong>Internal</strong></td>
<td>• Job titles</td>
</tr>
<tr>
<td>• Staff roles and responsibilities</td>
<td>• Job descriptions</td>
</tr>
<tr>
<td>• Formal and informal reporting structure</td>
<td>• Reporting relationships</td>
</tr>
<tr>
<td>• Staff skills</td>
<td>• Career paths</td>
</tr>
<tr>
<td><strong>External</strong></td>
<td>• Compensation opportunities</td>
</tr>
<tr>
<td>• Peer and competitor institution organization and service delivery models</td>
<td></td>
</tr>
<tr>
<td>• Market compensation</td>
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</table>

*We have undertaken a comprehensive review of how our department works: how we work together, the services we deliver, the knowledge and skills required of our staff, and the organization structure needed to deliver on our department goals and objectives.*

## Organizing for the Future

- To reshape our organization’s structure, we leveraged several inputs:
  - Your Responsibilities and Skills Inventories
  - Your suggestions
  - The University President’s point of view
  - Our leadership team’s viewpoints
  - Comparative data on peer institutions’ organizational structures
  - NAU’s and our customers’ needs and expectations

- Our review efforts took longer than expected
  - We worked against ambitious and aggressive goals
  - The extra time helped us to “get it right”
How We’ll Work Together

Technology and Network Support | Production and Programming
---|---
**Functions**
- Engineering
- Webcasting
- Database and Server Management
- Master Control
- Applications Computing

**Scope**
- IITV
- Computer Labs
- Mountain Campus and Statewide Locations
- AZUN
- Equipment Maintenance

**Core Competencies**
- Resource Reliability
- Technical Depth and Proficiency

**Functions**
- Research
- Marketing and Sales
- Client Relationship Management
- Programming
- Production

**Scope**
- University House
- Channels 4 and 59
- ESP

**Core Competencies**
- Creativity and Innovation
- Marketing and Selling

**Shared Competencies:** Resource Stewardship, Client Service, Accountability

Some Difficult News First...

- The organization changes announced today will result in the realignment of resources from rural to urban areas
  - Some positions will be eliminated in our rural markets
  - At the same time, we will open several positions in our urban markets
- We are currently notifying impacted staff, and will let you know when we complete that process
  - Impacted staff will remain with us for 60 days
  - We are actively working with them to apply for newly opened positions within our organization, and for other open NAU positions as well
What’s Happening With Your Team…
With Your Job

- Most of your day-to-day responsibilities will not change; however, your accountabilities and development opportunities will be much more clearly defined.
- In realigning our teams, we should be able to better balance and manage our priorities and workloads.
- Finally, depending on your position, you may see:
  - A change in your title
  - A change in your direct supervisor (although direct supervisory changes are limited).

Our New Organization Will Deliver

The Television Services organization will consist of two equally critical functions: Technology and Network Support and Production and Programming.
About Your Compensation

- NAU Human Resources recently completed a job “re-grade” study, reviewing our jobs and compensation opportunities against market practices
  - Current NAU compensation ranges are appropriately and competitively positioned
  - Information about the “re-grade” project is available through the HR web site
  - Watch for information about your specific compensation opportunity—including the ranges for your position, annual cost of living adjustments, and possible merit increases—from HR later in June and July

All new job titles and descriptions and their corresponding compensation opportunities are consistent with the “re-grade” study’s conclusions. The bottom line for you: Our reorganization will not change your compensation.

Your Individual Job Description

- Expect your individual job description in your email this afternoon. This includes:
  - Your title
  - A description of your job’s purpose and a detailed description of the responsibilities required of you in this role
  - The knowledge, skills, and abilities required of you in this role
  - The qualifications (education, certifications, and experience) required of you in this role

Your manager will schedule time with you in the next two weeks to ensure your understanding and discuss your role and responsibilities in more detail.
Twelve Months Later…the Results

- University programming has made great strides in the last six months in meeting the President’s goals
  - Broadcasting 50+ athletic activities
  - Producing weekly programs/interviews with University coaches
  - Creating promotion videos to showcase the student health center, honors program, and specialty programs
  - Producing science and research program in TV-magazine format

- Accountability in many areas has improved
  - Communication with other University departments, within Distance Learning, and among employees/supervisors has increased in quantity and quality
  - Individual and team responsibilities are established and tracked for progress
  - Targeted training is taking place on competencies and technical skill development

Success Factors of Future Capacity Planning

1. Obtain Management Leadership and Support
   - Participation in leadership
   - Walk the talk

2. Planning Commitment
   - A vision of what will be accomplished
   - Understanding of what will be different
   - A picture of "what it means to me"

3. Develop Change Management Strategy
   - Train people accountable for future capacity planning
   - Profile hard to hire disciplines and staff roles
   - Build a sense of culture and community

4. Monitor
   - Set mileposts in action plans (see slide 10 covering major steps and activities)
   - Be prepared to vary plans as conditions change

5. Evaluate
   - Were plans enacted?
   - Were hiring goals reached, competencies added, bench strength accomplished?
   - Is performance capacity at the planned for level?

6. Revise the Plan
   - Key points for action planning
     - What will be accomplished?
     - What will be different?
     - "What it means to me?"
Roles and responsibilities critical to Work Force Planning

Many levels of the organization hold responsibility for successful FCP:

Leadership from the Executive to the Unit level in both academic and administrative organizations

- Conduct or participate in programmatic and university or college-wide strategic planning
- Clarify continuing and new directions
- Identify need for new competencies and those that will continue as well as those that will need strengthening
- Align current talent pool with the future plan
- Develop an organizational chart that reflects the resulting future
- Understand turnover and retirement eligibility data
- Invest in succession planning
- Identify faculty and staff who want to grow into new or different roles
- Invest in the growth and commitment of potential department or unit based chairs, supervisors and managers
- Give feedback on performance
- Assess budget implications
- Build an organizational culture of engagement and high performance

Roles and responsibilities critical to Work Force Planning (continued)

Academic and Staff Human Resources

- Analyze current faculty and staff demographics including retirement forecasts, turnover, and performance
- Assess and forecast demand from strategic plans
- Assess and forecast supply from attrition, retirement, and internal movement from growth
- Analyze and report discipline and competency gaps/surplus
- Design or evaluate effectiveness of search support provided
- Design effective strategies to assure diversity
- Identify career communities and create related staffing and development plans
- Support leadership core competency definition and development
- Ensure training opportunities are aligned with organizational needs
- Assist leaders in succession planning
- Enable expert performance feedback, tools, and measurement
- Develop and continuously improve processes for attraction, retention and exit strategies
- Support with organizational intelligence that reports status of the plan
- Assess budget implications
- Build an organizational culture of engagement, balance and high performance
Questions?

- Barbara Butterfield
- Margaret Dyekman