Workforce planning explained

Effective leadership  Diverse workforce  Capable organisations and workforce  Employee conditions  APS Values

December 2011
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Module overview

This is one of eight modules in the Australian Public Service Workforce Planning Guide, designed to assist you with workforce planning in your agency or department. It can be read in isolation; however there are linkages to other modules, just as there are linkages between the elements of workforce planning.

This module provides an explanation of workforce planning and its importance as a critical business planning tool. It draws out the basic set of key questions underpinning the terminology associated with workforce planning, and busts some common myths that generate perceived barriers to workforce planning. This module is also helpful if you’re looking to build a business case for executive buy-in for workforce planning in your organisation.

The structure of the modules as they relate to the workforce planning process is depicted in Figure 1. The module you’re reading is highlighted in purple.

Figure 1. Modules in the APS Workforce Planning Guide
Document management

Version history

<table>
<thead>
<tr>
<th>Version</th>
<th>Date</th>
<th>Author</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>December 2011</td>
<td>Australian Public Service Commission</td>
<td>First version</td>
</tr>
</tbody>
</table>
**Glossary**

**Capability**

The measure of an individual’s ability to achieve the tasks and objectives of their role through the application of skills, knowledge and attributes.

**Critical job roles**

May be different for each organisation and may include a mix of senior and junior level roles. They are roles that:

- are key, or may become key to the functions of the organisation
- have had a high number of vacancies and/or vacancies that have been difficult to fill due to labour market tensions
- have an impact on the organisation’s business outcomes if left vacant
- require a long lead time to develop the required skills
- have the largest number of staff (that is, critical mass)
- have niche or specialised skills that have little redundancy within the organisation.

**Employment type**

Way in which a worker is employed—for example, ongoing, non-ongoing, non-ongoing intermittent, part time, full time, contractor, consultant.

**Job capability set**

Skills, capabilities, qualifications and other attributes required for a particular job family, function or role (depending on the level of detail of workforce segmentation).

**Job family**

First tier in a hierarchy of job segmentation within a workforce.

The purpose is to split the workforce into logical and practical segments to allow for deeper workforce analysis.

A job family is a grouping of similar jobs at the highest level that usually consists of several job functions. For example, a possible job family might be ‘Administration, facilities and property’.

**Job function**

Second tier in a hierarchy of job segmentation within a workforce.

A job function is a subgroup of jobs within a job family that require similar skills, capabilities and knowledge. For example, one job function within the job family of ‘Administration, facilities and property’ might be ‘Executive assistants, secretaries and receptionists’.

**Job role**

Third tier in a hierarchy of job segmentation within a workforce. A job role is a subgroup of jobs within a job function that allows for further refining and grouping of required skills, capabilities and knowledge. For example, a job role within the job function of ‘Executive assistants, secretaries and receptionists’ (in the ‘Administration, facilities and property’ job family) might be ‘Personal/Executive assistants’.
Organisation

Entity for which your workforce plan applies to. It may refer to a department, agency, division, branch, section or unit.

People plan/strategy, strategic

Usually covers a three to five-year time horizon, with many organisations focusing on a four-year time horizon aligned to an agency or department-wide strategic workforce plan. It sets the strategies that will enable the transition of the workforce from its current state to that required to meet the challenges of the future. For example, what the organisation needs in a recruitment or branding policy or an occupational health, safety and wellbeing policy.

Strategic people plans and strategies are ideally informed by a strategic workforce plan.

Qualitative

Involving or relating to distinctions based on quality or qualities. Distinguished by a description in words rather than in numbers.

Scenario

Description of a sequence of events, or situation, based on certain assumptions and factors (variables). Scenarios are used in estimating the probable effects of one or more variables, and are an integral part of situation analysis and long-range planning. Definition adapted from http://www.businessdictionary.com/definition/scenario.html.

Scenario planning

Method that helps your organisation understand the possible and plausible future business directions and scenarios that may eventuate so as to make flexible long-term plans and identify possible contingency plans.

Skill

An ability, acquired through deliberate, systematic and sustained effort, through training and/or experience, to perform tasks within a role that require specific cognitive, technical and/or interpersonal skills.

Workforce affordability

The number of people—in full-time equivalent (FTE)—an organisation can afford, who have the requisite skills and capabilities to deliver business outcomes.

Workforce capability

What the workforce can do. It refers to the skills and knowledge of the workforce, including elements such as its ability to be innovative.

Workforce capability can be used to describe what is in existence, including latent capability (that is, capability not currently being used), what is predicted may be required in the future and any gap between the two.
**Workforce capacity**

How much the workforce can do. Refers to the ‘availability’ of the workforce to do work, for instance the absolute numbers of staff available with the necessary skill sets (including their level of the skills) and other elements such as levels of absenteeism (or presenteeism).

When used to describe the absolute numbers of staff, the element of employment type (for example, ongoing, non-ongoing, full time, part time) also needs to be considered.

The dimension of workforce capacity can be used to describe what is in existence, what may be required in the future and any gap between the two.

The other component of workforce capacity is the workforce’s ‘performance’, which includes elements such as staff engagement, motivation and discretionary effort.

**Workforce demand**

The workforce an organisation needs to perform its functions and achieve its business objectives, now and into the future.

Workforce demand is defined in terms of workforce capability, workforce capacity and the alignment of the workforce to the functional business delivery of the organisation (structure).

**Workforce management plan**

Deals with immediate and specific workforce issues (such as restructure, conclusion of a significant project or a recruitment campaign for specific skills) and identifies actionable strategies for managing the workforce issues.

An organisation may have a number of workforce management plans if it’s dispersed across a number of geographic locations or business areas.

**Workforce plan**

Document you produce to capture the key factors you’ve considered in developing the strategies and initiatives to mitigate your workforce risks.

Throughout this guide, the term is used broadly to describe either a single workforce plan or multiple workforce plans—strategic workforce plan(s), operational workforce plan(s) and/or workforce management plan(s)—depending on the needs of your organisation.

**Workforce plan, operational**

Usually covers the next 12 to 18 months and identifies actionable strategies to address a specific workforce gap in the short to medium term.

**Workforce plan, strategic**

Usually covers a three to five-year time horizon, with many organisations focusing on a four-year time horizon aligned to Portfolio Budget Statements. However, if the lead time to fill critical job roles is longer than three to four years, the forecast period may need to extend beyond this.

Seeks to address high-level trends and developments that will affect the availability of the workforce required to deliver organisational outcomes. A suite of actionable strategies will be articulated to mitigate the workforce risks identified.
Workforce planning is a continuous business planning process of shaping and structuring the workforce to ensure there is sufficient and sustainable capability and capacity to deliver organisational objectives, now and in the future.

To be effective, workforce planning needs to be integrated into an agency or department’s strategic planning framework and incorporate strong governance mechanisms so it can be used to clearly identify the human resource (HR) strategies required to continuously deliver the right people—that is, those with the skills and capabilities necessary for the required work—in the right numbers, in the right place, at the right time.

**Workforce profile**

Summary of workforce demographics that provides a snapshot view of the workforce.

**Workforce segment**

A specific job family, job function or job role within your organisation.

**Workforce supply, external**

Anyone who does not work for your organisation but could do so, now or in the future.

External workforce supply is used to reconcile demand and supply if internal workforce supply is not sufficient and/or cannot be developed to meet demand.

Supply is defined in terms of skills, capabilities and numbers.

**Workforce supply, internal**

Everyone in the current workforce. It should also consider future movements in and out of the workforce. This includes full time, part time, casual and contracted employees who are working for or supplying services to the agency or department.

Supply is defined in terms of skills, capabilities and numbers.
**Workforce planning explained**

This section explains workforce planning and its importance as a critical business planning tool. It will be particularly helpful if you’re looking to build a business case to obtain executive buy-in for workforce planning in your organisation.¹ You might choose to do this as part of your initiation of, or planning for, workforce planning, to ensure you have buy-in from your executive from the outset. Or you might choose to undertake some preliminary demand, supply and gap analyses first, to inform your business case, and then provide an evidence base for the need to undertake workforce planning. Your choice will depend on factors such as the knowledge of, and level of support for, workforce planning of your executive, the success or otherwise of previous attempts to progress workforce planning within your organisation, and the availability of existing workforce data and analysis. It might also depend on the nature of your organisation and its way of doing things. More information on building a business case, including a benefits management framework for workforce planning, is provided at Appendix A.

**What is workforce planning?**

Workforce planning is a business-driven and business-owned process. It’s about knowing your organisation’s business and using this knowledge to position your organisation’s workforce to best deliver your business outcomes and manage workforce-related risks.

Workforce planning is a process of identifying the workforce capacity and capability your organisation needs to meet its objectives, now and into the future. It aims to ensure that the right people—those with the skills and capabilities necessary for the work—are available in the right numbers, in the right employment types, in the right place and at the right time to deliver your business outcomes. Focusing on the number of employees alone does not tell you about your organisation’s ability to achieve its organisational goals and outcomes.²

As explained earlier, the guide consists of a number of modules that provide guidance around each element of the workforce planning process, depicted in Figure 2.

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¹ Throughout this document, ‘your organisation’ refers to the entity for which you’re doing workforce planning. This may be a department, agency, division, branch, section or unit. Keep in mind that there are risks attached with conducting workforce planning only for a small subset of a larger organisation. An isolated workforce plan runs the risk of not taking into account the potential inter-branch and/or inter-di-visional mobility of skills and people.

² With a change in government priorities and a resulting change in your organisational objectives, you may require the same number of staff to achieve these goals, but the skills and capabilities you need may be different. For example, you may need more technology skills and less research skills, or more regulatory skills and less policy skills. Therefore, staff numbers alone are not informative enough in the workforce planning context.
Workforce planning is an iterative process and your workforce plan should be regularly reviewed and matured over time. Ideally, it should be aligned with your organisation’s business planning so it can respond to changes in business direction.

**Where does workforce planning fit?**

Workforce planning needs to be incorporated into your organisation’s business and financial planning processes. It also needs to be informed by strategic and business plans at your agency or department level and your organisational level.

Human Resources (HR) strategies, in turn, should be informed by workforce planning to ensure they are correctly prioritised and respond to current and future workforce issues. The arrows in Figure 3 depict the flow of information between the planning activities.
Why undertake workforce planning?

Workforce planning is a business planning tool that improves your knowledge of your organisation’s business and funding framework to position your workforce to best deliver your business outcomes and manage workforce-related risks. Workforce risks may manifest in different shapes and forms within an organisation and are highly dependent on the agency or department’s business, internal demographics and the locations where business is being delivered. Workforce planning identifies the HR strategies required to mitigate workforce risks and deliver optimum business outcomes within available funding. Table 1 lists the reasons why, at a strategic level, the need to get workforce planning right is compelling.
Table 1. The compelling reasons for the need to get workforce planning right

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>• continuing reports of chronic skills shortages across different</td>
<td>weaknesses in organisational capability and operational performance</td>
</tr>
<tr>
<td>occupational groupings</td>
<td></td>
</tr>
<tr>
<td>• an ageing Australian and Australian Public Service (APS) workforce</td>
<td>new opportunities and challenges arising from greater workplace diversity</td>
</tr>
<tr>
<td>• a fiercely competitive global labour market (particularly in key</td>
<td>need to be more agile in, and focused on, accessing labour and need to</td>
</tr>
<tr>
<td>skill areas)</td>
<td>know where skills need to be developed internally</td>
</tr>
<tr>
<td>• a tightening fiscal environment</td>
<td>need to establish an employment value proposition that does not compete on</td>
</tr>
<tr>
<td></td>
<td>remuneration alone, but also targets and draws on a sophisticated</td>
</tr>
<tr>
<td></td>
<td>understanding of the demographics, attitudes and opinions of the various</td>
</tr>
<tr>
<td></td>
<td>occupational groups</td>
</tr>
<tr>
<td>• increasing demands and expectations for the APS to improve delivery</td>
<td>need to be forward looking in linking workforce planning to business and</td>
</tr>
<tr>
<td>of existing services or undertake new tasks within approved funding</td>
<td>financial planning and need to be anticipatory and agile.</td>
</tr>
</tbody>
</table>
Workforce planning provides benefits to agencies and departments, government and citizens. Agencies and departments that integrate workforce planning into their strategic business and financial planning and become forward looking with desired business outcomes and the workforce needed to execute these outcomes will realise these benefits. There are five key benefit categories:

- **Increased public value**—the ability to increase the level of citizen confidence in agencies and departments to deliver effective, efficient services that meet their personal, physical, welfare and security needs.
- **Financial (value for money)**—the ability to reduce costs of operations and transactions associated with delivering service to the community, while fulfilling requirements of government revenues and expenditure.
- **Improved business outcomes**—the ability to maintain and improve the quality and effectiveness of services while reducing risks associated with business delivery. This encompasses the ability to ensure business continuity while responding quickly to changes in business delivery to meet government and citizen needs.
- **Increased capability and capacity**—the ability to meet citizen and government demands and expectations, while building trust in the ongoing delivery of outputs and outcomes into the future.
- **Improved decision-making**—the ability to make business and investment decisions that take into account the workforce capacity and capability required to deliver successful outcomes.

An organisation’s workforce is one of its largest assets and investments and, as such, there is an obligation and a business imperative to plan it properly. Shaping your workforce takes time and effort and therefore lends itself to careful planning and implementation. Systematic workforce planning improves agencies’ and departments’ decision making and investment in the workforce which ultimately improve workforce and business effectiveness.

Every organisation requires skills and capabilities, and therefore people to deliver its business outcomes. Particularly in knowledge-intensive organisations, such as government agencies and departments, people are vital to the effective functioning of an organisation. Consequently, a shortage or surplus of people poses a significant threat to your organisation’s ability to deliver its business outcomes within budget. Workforce planning enables you to identify and mitigate these workforce-related risks, and is an important component of organisational risk management.

More information on building a business case, including a benefits management framework for workforce planning, is provided at Appendix A.

**The key questions**

Workforce planning can seem daunting if you haven’t done it before, or if you’ve attempted it without the right tools and guidance. Scope, complexity and terminology are some reasons why workforce planning can seem intimidating. However, underpinning the terminology is a basic set of key questions listed in Table 2.
### Table 2. The key questions in undertaking workforce planning

<table>
<thead>
<tr>
<th>Workforce planning terminology</th>
<th>Underpinning key workforce planning questions</th>
</tr>
</thead>
</table>
| **Future workforce demand**   | 1. What outcomes does your organisation need to deliver now and over the next one, two, three and four-plus years?  
2. How will your funding change over the next one, two, three and four-plus years?  
3. What does your organisation need from its workforce, in terms of numbers and skills and capabilities, to deliver its outcomes now and over the next one, two, three and four-plus years?  
4. Where and when does your workforce need to be located to deliver these outcomes, now and over the next one, two, three and four-plus years?  
5. At what points in time are segments of your workforce needed (for example, yearly, seasonally, peak times) for business delivery?  
6. What internal and external factors will impact on future workforce demand?  
7. What are the likely business scenarios your organisation could face that could have implications for workforce demand? |
| **Current internal workforce supply** | 8. What does your organisation currently ‘own’ in terms of employee numbers, skills and capabilities (noting that employees may have extra skills and capabilities in addition to those required by their current position)? |
| **Future internal workforce supply** | 9. What are the forecast workforce capacity and capability shortages based on your organisation's current workforce profile (age, tenure, separations, retirements), and where are they (in which job family, job function, division, branch, business unit etc.)? |
| **External workforce supply** | 10. What is the availability of the requisite job roles, skills and capabilities in the labour market (taking into consideration the points in time they are needed)? |
| **Gap analysis** | 11. What are the gaps between what you need and what you have, now and in the future? |
| **Workforce planning strategies** | 12. Can you close these gaps by using your employees differently (for example, job redesign, restructure, redeployment)?  
13. Can you train existing staff in line with the changed skill requirements?  
14. Can you build partnerships with other agencies or departments to share resources?  
15. Can you close these gaps from outside the APS and how can you best do this (how do you attract and recruit new people)?  
16. What is best practice in addressing these gaps? |
Types of workforce plan

In general, there are three types of workforce plan:

- strategic workforce plan
- operational workforce plan
- workforce management plan

The methodology is the same regardless of the type of plan; it is the forecast period covered by the plan and the level of detail required to adequately respond to workforce related risks that differs from plan to plan.

The guide focuses on workforce planning methodology, rather than a type of workforce plan. Depending on the complexity of your organisation and your chosen approach to workforce planning, you may have one workforce plan that focuses on the strategic direction of your whole organisation, or you may have several workforce plans covering different forecast periods for different divisions, branches or business units.

Strategic workforce plan (three-plus year outlook)

A strategic workforce plan usually covers a three to five-year forecast period, with many organisations focusing on a four-year period aligned to Portfolio Budget Statements. However, if the lead time to fill critical job roles is longer than three to four years, the forecast period may need to extend beyond this.

A strategic workforce plan seeks to address high-level trends and developments that will affect the workforce by identifying actionable strategies. It indicatively describes the future workforce capability and capacity requirements to deliver against your organisation’s strategic plan. Employee numbers by job role or job capability set would be aggregated to total numbers required a year, giving a high-level overview of the workforce you require.

A strategic workforce plan would ideally inform a people plan or strategy, which articulates what your current workforce capability is, what it needs to be and how it will be achieved.

Operational workforce plan (12 to 18-month outlook)

An operational workforce plan usually covers the next 12 to 18 months and should align with the timeframe of your organisation’s business planning cycle. It identifies actionable strategies to address a specific workforce gap in the short to medium term, and describes the workforce capability and capacity requirements to deliver against your organisation’s business plan.

An operational workforce plan is a more detailed plan and may define workforce needs by month or quarter depending on the nature of your organisation and the level of monitoring required. Despite its shorter term focus, you need to look further into the future (at strategic-level horizon) to understand where your organisation is headed.
Workforce management plan (immediate issues)

A workforce management plan deals with immediate and specific workforce issues (such as impending restructure, the conclusion of a significant project or the addition of a new business line) and identifies actionable strategies for managing these.

Your organisation may have a number of workforce management plans, depending on the complexity of your business or if your workforce is dispersed across locations.

Documenting your workforce plan

Generally, your workforce plan should summarise the information you have considered, which should include:

- the type of plan and the level of organisation it covers
- a description of the demand analysis (refer to ‘Demand analysis’ module), including the:
  - future business direction of your organisation
  - scenario(s) considered along with workforce affordability
  - workforce capacity and capability required to deliver the business outcomes.
- a description of the internal current and future supply analysis (refer to ‘Supply analysis’ module), including:
  - a workforce profile outlining noteworthy workforce trends (for example, workforce ageing, gender imbalance, high tenure and separation rates)
  - employee survey data (if available)
  - skills and capabilities profiles.
- a description of the external current and future supply analysis (refer to ‘Supply analysis’ module) that includes an assessment of the availability of the skills and capabilities your organisation requires
- a gap analysis of demand and supply (refer to ‘Gap analysis and strategy and initiative development’ module), that draws attention to:
  - critical job role issues
  - significant skills and capabilities gaps
  - forecast workforce deficits or surpluses
  - high turnover and/or retirements in key roles
  - key workforce risks and options to mitigate the risks.
- A clear articulation of the workforce strategies you need to implement to mitigate the risks identified in the gap analysis (refer to ‘Gap analysis and strategy and initiative development’ module).

Appendix B provides a suggested outline for a workforce plan and Appendix C provides additional guidance on the circumstances which might warrant one or several workforce plans.
Busting workforce planning myths

A number of ‘myths’ generate perceived barriers to workforce planning, and are often why organisations don’t attempt workforce planning in a systematic or coordinated way. Table 3 lists some of the most common myths associated with workforce planning.

Table 3. Busting myths and dispelling perceived barriers to workforce planning

<table>
<thead>
<tr>
<th>It’s often thought that ...</th>
<th>But in fact ...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small organisations don’t need to workforce plan</td>
<td>Workforce planning is crucial in small organisations where losing an employee or two can have a significant impact on the business, as they make up a large proportion of your workforce.</td>
</tr>
<tr>
<td>Only organisations planning organisational change should workforce plan</td>
<td>Even when it’s not planned and deliberate, your organisation is constantly undergoing change in response to changes in your external environment. It’s important to have a workforce planning process in place to enable you to take appropriate action when this happens.</td>
</tr>
</tbody>
</table>
| Only a qualified workforce planner can undertake workforce planning | With the right tools and guidance, anyone with the following skills and capabilities can undertake workforce planning successfully:  
• knowledge of agency or department, and government business planning processes  
• knowledge of organisational business outcomes  
• analytical skills  
• project management skills  
• relationship management skills  
• knowledge of HR policy. |
| Workforce planning is a HR activity | Workforce planning forms part of management responsibilities and involves the joint input of senior executives, line managers, business managers, financial specialists and HR practitioners.  
Workforce planning is a business activity that needs to involve your executive and line managers, as they are ultimately responsible for the workforce that delivers your organisational outcomes. The Executive are best placed to provide insight into your organisation’s longer-term strategic direction, while line managers and business managers are best placed to understand the business outcomes that need to be delivered and the skills and capabilities needed to deliver them.  
Financial specialists are best placed to provide insight into workforce budgeting, cost modelling and affordability, while HR is best placed to facilitate the planning process and provide insight on how best to ‘raise, train and sustain’ the required skills and capabilities.  
As workforce planning affects the whole workforce, employee representatives should also be consulted during the process where appropriate. |
It’s often thought that …  But in fact …

<table>
<thead>
<tr>
<th>It’s pointless planning for the future, as the government constantly changes policies, making the future impossible to predict</th>
<th>Workforce planning isn’t about predicting the future, however the use of scenario planning is a useful tool to understand possible futures. It requires thought about future uncertainties, to develop an awareness of possible risks and the ability to identify and implement strategies to address them.  The iterative nature of workforce planning will also help mitigate risks of an uncertain future. It’s easier to forecast 12 months ahead than it is five years ahead, however, you need to plan past 12 to 18 months for critical job roles—longer if these roles require a significant skills-development lead time (or ‘time to productivity’).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our organisation can’t do workforce planning because the data is inaccurate or incomplete</td>
<td>It’s rare for an organisation’s workforce data to be 100 per cent accurate, and substantial benefit can still be achieved from workforce planning, by using qualitative measures or broad assumptions.</td>
</tr>
</tbody>
</table>

**Checklist—Workforce planning explained**

Workforce planning:

- needs to be incorporated into your organisation’s business planning process
- should be informed by strategic and business planning
- should be supported by a strong governance process
- focuses on key workforce risks to achieving business outcomes
- seeks to understand your organisation’s workforce in the context of the wider economic and business environments
- focuses on strengthening your workforce capability and capacity, now and in the future
- responds to internal and external changes that affect your business
- reduces the number of situations where reactive and ad hoc recruitment decisions have to be made in a short time frame
- provides a reliable evidence base for managers to make decisions about the workforce and steer investment to areas where it has the greatest impact.
Appendix A: A business case for workforce planning

The public sector deals with issues that the private sector can’t, as the public sector has the primary responsibility of helping government tackle domestic and global challenges that significantly affect Australia’s strength and prosperity. In many cases, this means the public service faces relatively complex, difficult, or so called ‘wicked problems’. Having the right skills and capabilities in the public service is therefore vital.

As highlighted in this module (in the ‘Why undertake workforce planning?’ section), at a strategic level, the need to undertake workforce planning and get it right remains compelling because:

- there are continuing reports of chronic skills shortages across different occupational groupings
- Australia has an ageing national and APS workforce
- globally, there is a fiercely competitive labour market (particularly in key skill areas)
- the Australian Government operates in a tightening fiscal environment
- the APS faces increasing demands and expectations to improve the delivery of existing services or undertake new tasks.

Workforce planning is recognised as particularly important in the public sector but generally not well practiced or understood. Public service employees also work on legislation, regulation and vital service delivery to millions of Australians, and any shortfall in organisational capability will impact on these outputs, and thus on the Australian Government’s ability to realise its objectives. Workforce planning will reduce the risk of this occurring and ensure continuity in the provision of services to the government and citizens.

Workforce planning is one of the key elements to building ‘One APS’, as it can set the foundation and motivation for mobility between agencies and departments. Workforce planning can thus create an opportunity for public service employees to gain experience and knowledge by working for a range of agencies and departments, thereby adding value to the individual, the agency or department and the APS as a whole. Mobility across agencies and departments broadens employees’ career possibilities within the APS and, as such, can ensure that corporate knowledge is retained within the APS.

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3 The Management Advisory Committee is committed to a single SES across a single, devolved APS. Management Advisory Committee 2005, Senior Executive Service of the Australian Public Service: One APS—One SES.
Further imperatives for workforce planning in the APS are provided in the following documents:

- *Workforce Planning Audit Report by the Australian National Audit Office in 2005*[^4^], which recommended that agencies and departments ‘identify workforce risks specific to their agency with clear reference to a consideration of organisational capability’.

- *Blueprint for Reform*, which identified consistent workforce planning issues across the APS and recommended strengthening the workforce by coordinating workforce planning.

- *The State of the Service Report* published annually by the Australian Public Service Commission, which highlights workforce issues identified through both agency and employee surveys.

Figure A1 outlines a benefits management framework you can use selectively to articulate the benefits that would result from your workforce planning outcomes. The framework provides the common language you need to express the benefits that would accrue from the workforce plan you ultimately develop.

Table A1 outlines the key headings of a business case you may want to consider under benefit category, benefit type and key performance indicators (KPIs).

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Figure A1. Workforce planning benefits management framework

<table>
<thead>
<tr>
<th>Benefit Category</th>
<th>Benefit Type</th>
<th>KPI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public Value</strong></td>
<td>Security and assurance</td>
<td>% level of citizen confidence in personal, physical and mental security</td>
</tr>
<tr>
<td>(minimum standards)</td>
<td>Opportunity</td>
<td>% compliance with gender, ethnic and socio-economic equality and non-discrimination acts</td>
</tr>
<tr>
<td></td>
<td>Prosperity</td>
<td>% of human rights abuses</td>
</tr>
<tr>
<td></td>
<td>Well-being</td>
<td>% level of citizen confidence in the availability of equal opportunities</td>
</tr>
<tr>
<td><strong>Financial</strong></td>
<td>$ average income</td>
<td>$ average income</td>
</tr>
<tr>
<td>(value for money)</td>
<td>Coefficient (% of income distribution)</td>
<td>Coefficient (% of income distribution)</td>
</tr>
<tr>
<td></td>
<td>$ value of goods and services consumed</td>
<td>$ value of goods and services consumed</td>
</tr>
<tr>
<td><strong>Business</strong></td>
<td>Reduce costs</td>
<td>$ total cost of operations</td>
</tr>
<tr>
<td></td>
<td>New revenue sources</td>
<td>$ cost per transaction</td>
</tr>
<tr>
<td></td>
<td>Increased revenue</td>
<td># of new revenue streams</td>
</tr>
<tr>
<td></td>
<td>Increased productivity</td>
<td>$ commercial value realised</td>
</tr>
<tr>
<td></td>
<td>Increased quality</td>
<td>$ level of government revenue</td>
</tr>
<tr>
<td></td>
<td>Reduce risk</td>
<td># of unnecessary processes</td>
</tr>
<tr>
<td></td>
<td>Increased responsiveness</td>
<td>Time (#) spent processing inputs to produce outputs</td>
</tr>
<tr>
<td><strong>Capability and Capacity</strong></td>
<td>Meet current government intent and expectation</td>
<td>% level of citizen satisfaction with APS service to Ministers</td>
</tr>
<tr>
<td></td>
<td>Meet current public demand and expectation</td>
<td>% level of citizen satisfaction with APS service delivery and the creation of public value</td>
</tr>
<tr>
<td></td>
<td>Stewardship: meet future government intent and expectation</td>
<td>% level of trust in APS service to Ministers</td>
</tr>
<tr>
<td></td>
<td>Stewardship: Meet current public demand and expectation</td>
<td>% level of trust in the ability of the APS to deliver outputs and outcomes into the future</td>
</tr>
<tr>
<td></td>
<td>Move towards 'one APS' (ideal alignment and engagement)</td>
<td>% level of citizen trust in the ability of the APS to deliver service and public value into the future</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% of Blueprint reforms delivered</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% of APS trust in Blueprint reforms</td>
</tr>
</tbody>
</table>
### Table A1. Business case headings

<table>
<thead>
<tr>
<th>Key headings</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cover page</td>
<td></td>
</tr>
<tr>
<td>Contents</td>
<td></td>
</tr>
<tr>
<td>Executive summary</td>
<td></td>
</tr>
</tbody>
</table>
| Purpose               | • Background  
                       | • Objectives    
                       | • Scope         
                       | • Process       
                       | • Action plan   |
| Benefits              |          |
| Risks                 |          |
| Costing options (including employee, supplier and capital) |          |
| Measure of success    |          |
| Reporting             |          |
| Recommendations       |          |
| Endorsements          |          |
| Appendixes            |          |
Appendix B: Suggested workforce plan outline

The content of your workforce plan will vary depending on its scope and level of progress. Table B1 outlines a suggested structure with all relevant components and annexes. Components may be omitted as appropriate to your workforce plan.

Table B1. Suggested workforce plan outline

<table>
<thead>
<tr>
<th>Suggested outline</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Introduction</td>
</tr>
<tr>
<td>a. Project plan and planning approach</td>
</tr>
<tr>
<td>b. Stakeholder engagement plan</td>
</tr>
<tr>
<td>c. Workforce segmentation document</td>
</tr>
<tr>
<td>2. Demand analysis</td>
</tr>
<tr>
<td>a. Demand analysis (current and future)</td>
</tr>
<tr>
<td>b. Alternate futures analysis</td>
</tr>
<tr>
<td>3. Internal supply analysis</td>
</tr>
<tr>
<td>a. Workforce profile</td>
</tr>
<tr>
<td>b. Skills and capabilities profile</td>
</tr>
<tr>
<td>c. Employee survey</td>
</tr>
<tr>
<td>d. Internal supply analysis (current and future)</td>
</tr>
<tr>
<td>4. External supply analysis</td>
</tr>
<tr>
<td>a. External supply (current and future)</td>
</tr>
<tr>
<td>b. Future external supply</td>
</tr>
<tr>
<td>5. Gap analysis</td>
</tr>
<tr>
<td>a. Gap analysis</td>
</tr>
<tr>
<td>6. Workforce strategies</td>
</tr>
<tr>
<td>a. Risks and options analysis</td>
</tr>
<tr>
<td>b. Action plan</td>
</tr>
<tr>
<td>c. Approval</td>
</tr>
</tbody>
</table>
Appendix C: Example workforce plan structures

The figures and explanation in this appendix are intended to provide additional guidance on how you might wish to structure your workforce plan based on the complexity of your organisation.

Example 1: Large agency

This example considers an agency with around 8000 staff and a presence in all major capital cities and some smaller regional centres. Its business is primarily regulatory and involves a mix of face-to-face interaction with clients off-site, and centralised advisory services across a diverse range of policy areas. Figure C1 shows how a large agency such as this might choose to structure its workforce plan.

Figure C1. Example of how a large agency might choose to structure its workforce plan

Programs 1, 2 and 3—have large divisions with a large number of staff and a presence in all locations. Therefore they each have strategic plans for all divisions and operational plans for the three largest divisions.
Program 4—has a small number of staff in one location so one strategic plan covers all staff and the requirement for operational plans is not deemed to be necessary.

Example 2: Small agency

This example considers an agency with around 270 staff and a very small presence in all major capital cities. Its business is primarily advisory and regulatory, with a mix of face-to-face interaction with clients off-site and centralised advisory services across a narrow spectrum of policy areas. Figure C2 shows how a small agency such as this might choose to structure its workforce plan.

Figure C2. Example of how a small agency might choose to structure its workforce plan

Programs 1, 2, 3 and 4—have small sections with a small number of staff and a presence in all locations. Therefore they only have one strategic plan that covers the whole organisation.