Supply analysis

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 guidance on how to analyse your internal supply—the demographics, skills and capabilities of your workforce. It also considers the implications of these from a workforce planning perspective. This module provides guidance on how to project and analyse your internal supply into the future, assuming no action is taken to align it with demand. It also guides you on how to analyse external supply for potential sources and availability of staff to join your organisation, now and into the future.

Read in conjunction with the ‘Demand analysis’ module, this module will help you analyse potential workforce gaps, so you can develop targeted strategies and initiatives to mitigate these workforce risks.

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.

Contingent workforce  That part of your internal workforce that is not permanent or ongoing.

Demographic information  Gives insight into your current workforce, such as age and gender profiles, classification and location breakdowns, and workforce diversity balances.

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

Environmental scanning  Process of looking more broadly at indicators of external labour supply and influences on demand to understand what the future may look like.

Granularity  Level of detail considered in a model or decision-making process. The greater the granularity, the deeper the level of detail. Granularity is usually used to characterise the scale or level of detail in a set of data. Definition adapted from http://www.businessdictionary.com/definition/granularity.html.

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.

Qualitative  Involving or relating to distinctions based on quality or qualities. Distinguished by a description in words rather than in numbers.
<table>
<thead>
<tr>
<th><strong>Quantitative</strong></th>
<th>Expressible as a quantity or relating to, or subject to measurement. Distinguished by use of numbers rather than words.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Skill</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Skills and capabilities audit</strong></td>
<td>Process of identifying the skills and capabilities of each of your employees, including additional skills and capabilities they may have but are not using in their current position. May also identify additional factors such as education, licences, certificates and training. Will form the basis for analysing your current workforce supply.</td>
</tr>
<tr>
<td><strong>Trend information</strong></td>
<td>Based on data from the past that helps you predict how your current workforce might change over time. Examples include recruitment, secondments, terminations, vacancies, length of service and leave.</td>
</tr>
<tr>
<td><strong>Workforce affordability</strong></td>
<td>The number of people—in full-time equivalent (FTE)—an organisation can afford, who have the requisite skills and capabilities to deliver business outcomes.</td>
</tr>
<tr>
<td><strong>Workforce capability</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Workforce capacity</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Workforce demand</strong></td>
<td>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).</td>
</tr>
</tbody>
</table>
Workforce management plan (immediate issues)

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 (12 to 18 months)

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 (three-plus years)

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

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’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 structure

How your workforce is organised within programs and functions to deliver expected business outcomes.
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. 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.
Symbols

Below is a key to the symbols used in this module, to draw your attention to things that might help you along the way, as you progress workforce planning in your organisation.

Documents to consult
The list is not exhaustive and you should complement these with documents that are specific and relevant to your organisation.

People to consult
The list is not exhaustive and the right people to consult may vary depending on your organisation.

Templates
Generic templates outlining the basic information required and a suggested format for collecting and structuring this information. Templates are referred to by their number and title.

Documents to produce
Documents you may wish to produce at a particular stage of workforce planning. These may eventually be collated to form part of your final workforce plan. Templates are provided for some of these.

Examples
Examples of what the documents you produce may look like.

Key questions
Key questions you may need to answer at a particular stage of workforce planning. These lists are not exhaustive and you may want to think about more questions that are specific to your organisation.

Section outputs
Summary of the documents you may have considered and produced at a particular stage of workforce planning, and guidance on where they fit in relation to the development of your workforce plan. Also provides context on how you’re progressing through the workforce planning process.

Supply analysis

As with demand, workforce supply is analysed in terms of both its internal and external components. Internal supply refers to the workforce you actually have in your organisation (in terms of both capacity and capability), whereas external supply refers to both the potential sources and availability of staff to join your organisation. Both components should be analysed using a current and future focus.

Current internal supply

Documents to consult
Organisational structure, State of the Service Reports, Australian Public Service Employment Database, payroll information

People to consult
Human resource (HR) reporting and payroll (data), line managers (data validation as required), all employees
Supply analysis – APS Workforce Planning Guide

This section helps you analyse current internal supply. You may select some or all of the components listed here, depending on the level of progress of workforce planning in your organisation. Your analysis will ensure you understand the demographics and skills and capabilities of your current workforce, and the implications from a workforce planning perspective.

There are three key components to analysing your internal workforce supply:

- creating a workforce database to manage key workforce information to support workforce planning
- conducting a skills and capabilities audit (and incorporating this into the workforce profile)
- analysing trends within the current workforce demographics.

Workforce database

A workforce database contains detailed information on all of your employees, to give you a complete understanding of your current workforce supply (refer to Template 8). Your database includes basic demographic information and, as your workforce planning data matures, skills and capabilities, and education and training.

For some organisations, consolidating this data into a spreadsheet or database will allow for more specific manipulation of the data. For organisations more progressed with their workforce planning or with robust data, this manipulation will most likely be possible within the HR information system through the production of specialised reports.

Skills and capabilities audit

A skills and capabilities audit can be time consuming, particularly in larger organisations. However, if you’re maturing workforce planning in your organisation, you will want to understand the current skills and capabilities of your workforce in addition to basic demographics and employment information.

Table 1 lists some characteristics you may wish to audit. It’s important to audit down to the level by which you’ve decided to segment your workforce (job families, job functions or job roles). The basic question you’re trying to answer is ‘Does the organisation have the skills and capabilities it needs to deliver its business outcomes?’

It’s important that the skills and capabilities audit be separate from an individual’s performance management appraisal. Otherwise, you run the risk of taking stock of the skills employees believe they should have, rather than the skills they actually have.
You might also consider developing a skills bank, for staff to register not only the skills and capabilities required of their current role, but those they can demonstrate from previous roles, which are known as latent skills and capabilities.

Table 1. Suggested skills and capabilities audit elements

<table>
<thead>
<tr>
<th>Skills and capabilities audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Skills and capabilities</td>
</tr>
<tr>
<td>• Licences and certificates</td>
</tr>
<tr>
<td>• Education/formal qualifications</td>
</tr>
<tr>
<td>• Training</td>
</tr>
</tbody>
</table>

This information should be incorporated into your workforce database (Template 8).

Analysis of the current workforce

To analyse the information contained in your workforce database, you need to summarise the information in two ways:

• by workforce segment (see Template 12)
• by creating a workforce profile.

The former will give you an overview of the job families you have chosen by full-time equivalent (FTE), classification and location, similar to what you did in your demand analysis. Essentially, this involves attaching numbers 1 to your workforce segmentation document. If you have been able to segment your workforce below job families, it may be possible to further break down the workforce numbers into job functions, job roles and/or specific skills and capabilities.

A workforce profile is a summary of relevant workforce demographics and provides a snapshot of your current workforce. Table 2 provides examples of demographics you may want to consider.

Table 2. Workforce demographics

<table>
<thead>
<tr>
<th>Demographics</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Workforce numbers</td>
</tr>
<tr>
<td>• Location breakdown</td>
</tr>
<tr>
<td>• Finance data (budgeted versus actual FTE)</td>
</tr>
<tr>
<td>• Classification composition</td>
</tr>
<tr>
<td>• Gender profile</td>
</tr>
<tr>
<td>• Employment type composition (full time or part time, Australian Public Service (APS) or contractor)</td>
</tr>
<tr>
<td>• Tenure profile</td>
</tr>
</tbody>
</table>
By generating visuals, such as graphs and tables, you will be able to identify workforce characteristics that are typical of your organisation and get a better understanding of your workforce.

Although analysing your current workforce demographics in isolation can reveal interesting workforce patterns, it’s worth comparing them with previous years (you may want to look at the last three years) to see how they have changed and discern internal trends. It’s also worth comparing them with APS (for example, State of the Service Reports and APS Employment Database Internet Interface) and Australian benchmarks to compare your performance against external trends.

Once you’ve developed your workforce profile and compared it to other relevant profiles, you need to ask yourself the following questions: So what? What does this mean? What are the risks?

Your data is only as good as your ability to analyse it—the ability to turn it into meaningful information. Your current workforce profile will only allow you to draw limited conclusions for workforce planning purposes, so don’t try to read into the numbers too much. Focus on broader trends, risks and patterns rather than drilling into the detail too deeply. The following list of key questions is not exhaustive, but will guide you through some important analysis considerations.

**Key questions: Current internal supply**

- What is the composition of your current workforce in terms of gender, age, classification, location and tenure?
- What is your ratio of directors to APS-level employees? What does this tell you about your workforce and organisation?
- How reliant is your organisation on the contingent workforce (consultants, contractors, temporary, casual employees)? What skills and capabilities does your organisation obtain through the contingent workforce? How does the contingent workforce profile compare with your permanent workforce? What work is currently completed by the contingent workforce and why?
- What is the age profile of your workforce? What implications does this have for your workforce, now and in the future?
- What is the tenure pattern of your organisation? What does this mean from a workforce planning perspective?
- Does your workforce reflect Equal Employment Opportunity policies?
- How does your profile compare to the APS-wide profile? How and why are they different?
- What patterns are evident from your workforce profile and do they vary across the organisation? Have they varied over time and, if so, how? What does this mean?
- What are the risk areas highlighted by your workforce data? (for example, an older age profile may mean an expected loss of a large component of your workforce at a point in time)
- What are the strength areas highlighted by your workforce data? (for example, a stable workforce spread across classifications may be great for succession and promotion opportunities)
You should now have an understanding of the demographics and skills and capabilities of your current workforce, and the implications these have from a workforce planning perspective. You should concentrate on answering the key question in Table 2 in the ‘Workforce planning explained’ module about what you currently ‘own’ in terms of skills and capabilities, and developing a picture of the key features of your current workforce are, supported by the evidence you collect. This then enables a relative comparison with your current demand analysis.

**Future internal supply**

**Documents to consult**

- Employee survey, capability survey, current training and development plans, geographic location

**Templates**

- (9) Workforce trend summary, (10) Employee survey, (11) Exit interview, (12) Internal supply

**Documents to produce**

- Workforce trend summary, employee survey, exit interview analysis, future internal supply

**Examples**

- Managers and HR

This section helps you analyse your projected internal supply (that is, what your internal supply will be assuming no action is taken to align it with demand).

Your internal supply at any given time will depend on the inflow and outflow of employees as demonstrated by Figure 2. For this analysis, you should examine the bottom arrows of the figure, which represent your outflow of employees and how this will affect your future internal supply. You can do this by analysing your current workforce (that is, the workforce profile developed in the previous section) in conjunction with some qualitative and quantitative information. This will tell you:

- what your outflow of employees will be (that is, by how much your workforce will decrease)
- how planned promotions, training and up-skilling will change the profile of your remaining workforce.
You can determine the expected change in your workforce profile over your forecast period by looking at the implication of trend data and employee survey and interview information on your current workforce. Quantitative trend data will allow you to understand past trends in employee outflow (for example, resignations and retirements) as well as past trends in other workforce changes (for example, promotions and leave). This will allow you to estimate the changes that will occur in the near future and provide you with early indications of problems to come (for example, an increasing trend for unplanned leave could signal something is wrong in your organisation or an ageing workforce will signal increasing retirement rates). Table 3 lists some workforce trends for which you may want to collect data.
Table 3. Workforce trends

<table>
<thead>
<tr>
<th>Workforce trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Recruitment</td>
</tr>
<tr>
<td>• Promotions</td>
</tr>
<tr>
<td>• Secondments (to and from the organisation)</td>
</tr>
<tr>
<td>• Transfers (to and from the organisation)</td>
</tr>
<tr>
<td>• Resignations</td>
</tr>
<tr>
<td>• Retirements</td>
</tr>
<tr>
<td>• Workforce size (average FTE over a number of years)</td>
</tr>
<tr>
<td>• Terminations</td>
</tr>
<tr>
<td>• Redundancies</td>
</tr>
<tr>
<td>• Vacancies</td>
</tr>
<tr>
<td>• Organisational health and safety</td>
</tr>
<tr>
<td>• Length of service</td>
</tr>
<tr>
<td>• Leave (sick, parental, long service)</td>
</tr>
<tr>
<td>• Worker’s compensation</td>
</tr>
<tr>
<td>• Other relevant trends (for example, female workforce or external workforce)</td>
</tr>
<tr>
<td>• Return on investment on training and learning and development</td>
</tr>
</tbody>
</table>

Trend information is based on data from the past and you must remember that trends change over time. Therefore, there is no guarantee that trend data will enable you to accurately predict the future. However, the longer back your trend data goes, the more confident you can be in your future expectations. Template 9 allows you to summarise your organisation’s workforce inflow and outflow trends from previous years.

Another data source complementing trend information is employee survey data. Asking employees what their intentions are can add a qualitative dimension that helps you to interpret the quantitative trend data.

Although referred to as an ‘employee survey’ in the guide, there are different ways to collect qualitative information on employees, including online poll surveys, probation surveys (following the probation period), or yearly performance management reviews (refer to Appendix A). Exit interviews are a good way of finding out why employees leave your organisation and often provide you with honest information. If your organisation does not have an employee survey, some of the questions you may consider including are listed in Table 4 and in templates 10 and 11.

Table 4. Suggested employee survey questions

<table>
<thead>
<tr>
<th>Employee survey questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Where did you work before this agency or department?</td>
</tr>
<tr>
<td>• What attracted you to the job?</td>
</tr>
<tr>
<td>• What would make you leave?</td>
</tr>
<tr>
<td>• What are your career or retirement intentions over the next year, two years, five years?</td>
</tr>
<tr>
<td>• Where do you see yourself in two years time?</td>
</tr>
<tr>
<td>• Would you return to the organisation? [exit interview question]</td>
</tr>
</tbody>
</table>
Interviewing managers and HR practitioners can provide you with information on planned promotions and up-skilling, which will also impact your future workforce profile.

Looking at trend data allows you to understand the inflows and outflows shown in Figure 2 for your organisation and from that understanding you can populate Template 12. Based on this information, and your skills and capabilities profile, you can estimate what your workforce profile will look like at the end of the forecast period. If you have sufficient information to do so, attaching the numbers (FTE) required of your future skills and capabilities profile is a good idea. Otherwise, a description of the likely developments of your internal workforce is what will constitute your future internal supply document.

The following list of key questions is not exhaustive, but will guide you through some important analysis considerations.

**Key questions:**

*Workforce trends*

- What are current and projected retirements, turnover, secondments, etc.?
- Are there any new policy proposals and what impact will these have on capacity and capability requirements?
- Do you have any new policy proposals that are about to end? How will this impact on your workforce?
- Do you have any employee contracts (non-ongoing, contractors) that are about to end?
- Assuming employees will keep joining and leaving the agency or department at the same rate as in previous years, will your workforce decrease or increase in your specified forecast period?
- By how much will your workforce decrease or increase in your specified forecast period?
- Will this increase or decrease be prominent in a particular job family, function, role or skills and capabilities category?
- Taking this information into consideration, what are the likely changes to the outflow of employees in your specified forecast period? How many of your employees are likely to leave in your specified forecast period?
- Can you say anything about the rate of intake from your discussions with business managers or others?

You now have an understanding of your projected future internal supply, assuming no action is taken to align it with demand. You should concentrate on answering the key question in Table 2 in the ‘Workforce planning explained’ module about what your forecast workforce capacity and capability shortages will be, and develop a picture of what the key features of your future internal workforce will be, supported by the evidence you collect. This will enable a relative comparison with your future demand analysis.
Current external supply

People to consult: Internal recruitment personnel, business managers, external recruitment and talent management agencies

Templates: (13) External supply

Documents to produce: Current external supply

This section helps you to understand the current external availability of skills and capabilities your organisation needs. Although this information will not directly form part of your gap analysis, it’s extremely important as it will alert you to skills and capabilities that are in short supply, which in turn will help you assess the criticality of your current workforce gaps and how you might close them.

To understand the current availability of skills and capabilities your organisation needs, you should consult those who recruit for your organisation. They will have good knowledge about how easy or hard it is to attract and hire good quality applicants, how many applications they get for different positions on average, and whether particular skills and capabilities are harder to obtain than others.

Ideally, external supply would be defined in terms of the skills and capabilities you use to differentiate internal supply and demand. However, this is not always possible. For example, the job categories used by the Australian Bureau of Statistics may differ from the segments used in your agency or department, in which case you need to map the former to the latter to get an idea of the supply in terms of your identified capabilities.

The following list of key questions is not exhaustive, but will guide you through some important analysis considerations.

Key questions: Current external supply

- What is current availability of skills and capabilities?
- Where do you currently source these skills and capabilities?
- What is the ratio of good-quality applications to each position advertised?
- Are there particular skills and capabilities that are harder to obtain than others?
- What is the average time to recruit? Does this vary between job families?
- How much bargaining power do potential employees have compared to employers?

The output of this section on analysing your current external workforce supply, when coupled with your current internal workforce supply analysis, will paint a complete picture of what your total workforce supply looks like. This then enables you to compare your current workforce supply with your current workforce demand analysis, to discern gaps in capacity and capability and identify workforce risks.
Future external supply

**Documents to consult**
- Relevant environmental scans and fact sheets, Australian Public Service Employment Database, Department of Education, Employment and Workplace Relations (DEEWR) data, Australian Bureau of Statistics website and publications, economic publications, skill shortage publications, industry body publications

**People to consult**
- Industry, universities

**Templates**
- (13) External supply

**Documents to produce**
- Future external supply

While internal consultations will give you a relatively good idea of the current availability of potential new recruits, you will be required to look more broadly at indicators of external supply to understand what the future availability of your required workforce might be. This is often referred to as an ‘environmental scan’.

The first step in an environmental scan often includes scanning relevant documents so you have a preliminary understanding of the external supply environment and emerging trends and issues. You then prioritise trends and issues to understand where your focus should be. Through consultations with industry, educational institutions and managers, and by reviewing relevant documents and publications, you should examine the most pertinent issues further and determine how these will impact on your organisation. An example of an emerging trend might be decreasing enrolments in information and communications technology undergraduate degrees, or a new mining operation in a particular locality that will lead to an increase in the resident population and the services required to support them in that locality.

Table 5 lists factors you should examine to identify how easy or difficult it might be to recruit the skills and capabilities you require in the future.
Table 5. Suggested indicators of external supply and suggested data sources

<table>
<thead>
<tr>
<th>Indicators and determinants of external supply and suggested data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>• government policies and directions (refer to agency websites that own the policies that may affect your organisation)</td>
</tr>
<tr>
<td>• employment and unemployment trends (by job family) (refer to <a href="http://www.abs.gov.au">http://www.abs.gov.au</a>, labour force statistical reports)</td>
</tr>
<tr>
<td>• economic trends (refer to <a href="http://www.budget.gov.au">http://www.budget.gov.au</a>, the most recent budget papers)</td>
</tr>
<tr>
<td>• workforce participation rates (refer to <a href="http://www.abs.gov.au">http://www.abs.gov.au</a>, labour force statistical reports)</td>
</tr>
<tr>
<td>• competitor demand for key skills and capabilities</td>
</tr>
<tr>
<td>• education trends (university completion rates for key professions) (refer to <a href="http://www.deewr.gov.au">http://www.deewr.gov.au</a>, higher education publications and statistics)</td>
</tr>
<tr>
<td>• social trends, such as increasing demand for more flexible working arrangements, increased mobility and reduced long-term commitment (refer to <a href="http://www.abs.gov.au">http://www.abs.gov.au</a>, Australian Social Trends Report)</td>
</tr>
</tbody>
</table>

The analysis of the types of trends listed above can be conducted at different levels of granularity and at different time points in your workforce planning. At a very basic level, you should examine broad trends such as the general unemployment level, as high general unemployment suggests it will be relatively easy to recruit new people. However, high general unemployment does not necessarily mean that the skills you need the most are in ample supply. A high unemployment rate may also influence your separation rate as staff may decide to stay with your organisation instead of looking elsewhere due to job security. The more detail you go into, the more useful the information will be.

The same holds true when it comes to geography and the location of your potential pool of new employees. The most readily available information is at a global or national level. However, if your organisation is located in a remote area, a national surplus of the specialist skills you require may not be of benefit.

You should collate the information obtained from your internal recruitment personnel and from your environmental scan in a brief document outlining the key trends that will affect your organisation’s ability to recruit in your specified future forecast period. You can use Template 13 to help with this.
Key questions: Future external supply

- What is the demand for, and availability of, your organisation’s key skills and capabilities?
- What are the possible risks associated with the labour market in relation to your organisation’s workforce segmentation method (availability of qualified candidates, ability to recruit these candidates and organisational challenges in recruiting competitively)?
- What are the trends in external benchmarking data (rates of pay, skill availability)? (refer to Table 5, State of the Service Reports and statistical bulletins or Australian Public Service Employment Database)
- What are the trends in external environmental data (inflation, competition, unemployment)? (refer to Table 5)

When you couple the output of this section (analysing your future external workforce supply) with your future internal workforce supply analysis you will have a complete picture of what your total future workforce supply will look like. This enables you to compare your total future workforce supply with your future workforce demand analysis. This enables you to discern gaps in your workforce capacity and capability, and identify workforce risks.

Section outputs

- After considering the information and suggested outputs in this section, you should be able to progress your workforce planning as you would have developed a:
  - workforce database
  - workforce trend summary
  - internal supply analysis document
  - external supply analysis document
  - employee survey
  - exit interview
- Workforce plan. The information contained in these documents will inform the ‘Internal supply analysis’ and ‘External supply analysis’ sections of your workforce plan. Refer to Appendix B of the ‘Workforce planning explained’ module.
Appendix A: Collecting data on internal supply

Collecting data on internal supply should not be too difficult, as most agencies and departments, and their corporate sections, collect such data on a regular basis. However, this data is usually collected for purposes other than workforce planning, which means the way it’s collected and stored is not always ideal for workforce planning.

What you need and what you have

Tables 1 to 4 above provide suggestions on what types of data you should be collecting (to understand your current and future internal workforces respectively) and why. You should look over these tables to identify what information and data already exists in your agency or department. You may need to consult with HR personnel, senior managers and/or line managers to find out about existing data and how to access it. Use these boxes to ‘tick off’ what information you have. This should give you an idea of your agency or department’s maturity in terms of systematic data collection. Many agencies and departments will be heavy on workforce demographics and trend data, but less so on information about skills and capabilities, and employee career perspectives and intentions.

What you’re missing and how to get it

Once you know what you have, you need to identify what else you may need, how easy it will be to obtain, and whether, considering the cost of gathering the information, it’s worth it.

Once you have identified the additional data you require, you need to determine how to obtain it. Consider the following questions when choosing a data collection method:

- How costly is it?
- Will it give you the data you need?
- Is the method useful for collecting data on an ongoing basis?

Table A1 outlines some common data collection methods.
Table A1. Data collection methods

<table>
<thead>
<tr>
<th>Method</th>
<th>Cost relative to other methods</th>
<th>Advantages and disadvantages</th>
<th>One-off/ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Online multiple choice poll</td>
<td>Low cost</td>
<td>Multiple choice only informative in some cases</td>
<td>Could be conducted at regular intervals</td>
</tr>
<tr>
<td>• Employee survey</td>
<td>High cost, especially for larger agencies or departments Lower cost if questions can be weaved in to existing surveys</td>
<td>Could be made comprehensive Risk for survey exhaustion if on top of existing surveys</td>
<td>Could be conducted yearly</td>
</tr>
<tr>
<td>• Post probation period survey</td>
<td>Useful for other reasons, therefore relatively low cost</td>
<td>Only surveying relatively new employees</td>
<td>Ongoing</td>
</tr>
<tr>
<td>• Performance management system</td>
<td>Should exist for other reasons, therefore cheap</td>
<td>Not anonymous</td>
<td>Ongoing</td>
</tr>
<tr>
<td>• Exit interviews</td>
<td>Low cost</td>
<td>Limited use, only surveying people leaving your agency or department</td>
<td>Ongoing</td>
</tr>
<tr>
<td>• Payroll</td>
<td>Low cost</td>
<td>Limited to workforce demographics and pay details</td>
<td>Ongoing</td>
</tr>
<tr>
<td>• Line manager interviews</td>
<td>Entirely dependent on size of organisation and number of managers</td>
<td>Consults those who have the best possible understanding of your workforce Resource intensive</td>
<td>Could be conducted yearly</td>
</tr>
<tr>
<td>• Manager workshops</td>
<td>Low cost</td>
<td>Consults those who have the best possible understanding of your workforce Managers more likely to be influenced by others in group</td>
<td>Could be conducted yearly</td>
</tr>
</tbody>
</table>

**Formalising your data collection**

When collecting data for your workforce plan, think about institutionalising or formalising some of the data collection to facilitate workforce planning in the future and provide regular data for monitoring progress and changes. This includes putting thought into developing organisation-specific templates (based on the templates provided in this guide) and establishing a process for regularly using them to gather, present and store this information. It could also include investing in an information management system if you don’t have one or if the one you have is inadequate to manage your workforce data. Availability of data on your workforce is limited in many agencies and departments and therefore, understanding the information you need and standardising data collection will benefit your current and future workforce planning processes and other aspects of your business.
Other issues to think about when collecting data include:

- compliance (response rate)—if your response rate is low, results will not adequately reflect the entire workforce
- anonymity—data collection should be designed to be anonymous if possible as this will allow your employees to be completely honest in their answers
- accuracy—the accuracy and design of your questions and data collection methods will influence the response you get
- timing
- appropriateness
- population sizes.

Key questions: Data collection

- What information is currently being collected, who is collecting it and how is it stored?
- What do you need to do, and who do you need to talk to in order to access it?
- Are you able to use the information in the existing format, or do you need to process it? (for example, you may want to transfer from handwritten to electronic, or from a program you're not familiar with to something you are familiar with (such as excel))
- What other key information and/or data do you need that is not being collected?
- What is the best way to obtain this data?
- How could your future workforce planning be made easier?