Public Service Commission

NSW GOVERNMENT

Strategic Workforce Planning Framework

NSW government sector

Publication and contact details

Strategic Workforce Planning Framework for the NSW government sector

June 2022

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Purpose of the framework

Technological advances, increasing customer expectations and demographic shifts are just some of the challenges facing agencies in the NSW government sector. Having a capable, agile, and diverse workforce is critical to ensuring agencies can respond to challenges and deliver services the people of NSW expect.

Strategic workforce planning is critical to achieving this goal, as it aligns longer-term workforce requirements with an agency's strategic objectives.

The Strategic Workforce Planning Framework has been developed to assist agencies across the NSW government sector to better understand and prepare for their future workforce needs.

The framework outlines a practical, principles-based approach to implementing strategic workforce planning, which can be easily adapted to meet the circumstances and workforce needs of individual agencies.

The framework can be used when undertaking workforce planning in all areas of an agency and may facilitate cross-sector workforce planning to achieve the best outcomes for the people of NSW.

Having the right people in the right roles at the right time, to meet the longer-term strategic objectives of the organisation.

Overview of the framework

The framework outlines the core requirements and provides examples of better practice to support each stage of the strategic workforce planning cycle.

1. Align

Understand longer-term organisational priorities and goals, so workforce planning strategies are designed to deliver them.

2. Compare

Compare current and future workforce against what is needed to deliver strategic objectives. Consider plausible scenarios that could impact the workforce.

3. Identify

Identify initiatives to close gaps between current and future workforce. Consider required capability and capacity.

4. Implement

Define and implement actions to address workforce gaps while managing any associated risks.

5. Review

Monitor and evaluate implemented strategies. Revise as needed.

The framework also includes definitions, guidance about getting started and tips for developing a strategic workforce plan.

Why use the framework?

The framework has been developed to assist departments and agencies in the NSW government sector with their strategic workforce planning, so they can have the right people in the right roles at the right time.

There are also legislative requirements for workforce planning. Section 63(2) of the *Government Sector Employment Act 2013* provides that a head of a NSW government sector agency is responsible for workforce diversity within the agency, and for ensuring that workforce diversity is integrated into workforce planning.

Workforces with greater gender and cultural diversity have been proven to be more innovative, productive, and better able to understand their customer base.

Intended audience for the framework

The intended audience for this framework is any person or function involved in strategic workforce planning within an agency.

This may include:

- senior executives and managers
- workforce planners
- human resources function
- finance function
- service planners.

Figure 1: Strategic workforce planning cycle

What is strategic workforce planning?

Strategic workforce planning is about understanding and proactively preparing for changes that may impact the workforce. Strategic workforce planning identifies actions that address workforce challenges, risks, and opportunities.

For the purpose of the framework, strategic workforce planning is defined as longer-term planning – often covering a 3 to 5 year period. Strategic workforce planning is separate from operational and tactical workforce planning, although strategic workforce planning informs the other two processes. Figure 2 outlines the key characteristics of strategic workforce planning.

What is strategic workforce planning?

Strategic workforce planning is:

- focused on the longer-term
- iterative and regularly reviewed
- aligned with organisational strategy
- a collaborative process involving multiple parts of the organisation
- sponsored by senior leaders across the organisation
- providing direction without too much detail
- using talent management to identify, develop, support and mobilise individuals to meet strategic needs
- based on data and evidence
- considerate of internal and external supply and demand factors
- used to create forecasts of future workforce requirements and action plan
- an opportunity to review and address diversity and inclusion
- guided by the assumption that change is a certainty
- considering feasible scenarios, rather than extremely long-term or 'blue sky' conceptual thinking.

Strategic workforce planning is not:

- resource management to fill immediate operational needs
- primarily about headcount and FTE
- project planning
- a form of financial forecasting.

However, it can provide valuable input into these processes.

Figure 2: What is strategic workforce planning

Operational workforce planning

Operational workforce planning enables the organisation to achieve outcomes in the short term. Keeping on track day-to-day, forecasting to prepare for immediate operational or resource needs and addressing ad-hoc changes are all part of this form of workforce planning.

Operational workforce planning is largely driven by HR and individual team managers, and produces documentation including procedures, processes, and rosters. Preparation for the recruitment life cycle and seasonal workforce changes are other typical examples.

Tactical workforce planning

Tactical workforce planning involves concrete actions that facilitate the delivery of goals identified in an organisation's strategic workforce plan. Tactical planning is often organised around a fiscal year and prioritises delivering work on time and on budget.

Each work area within an organisation should undertake tactical planning. Chief financial officers, HR directors and senior leaders are typically involved in this process. Policies that cover specific work areas, marketing strategies, succession planning and workflow arrangements are examples of tactical planning components.

Workforce planning approaches

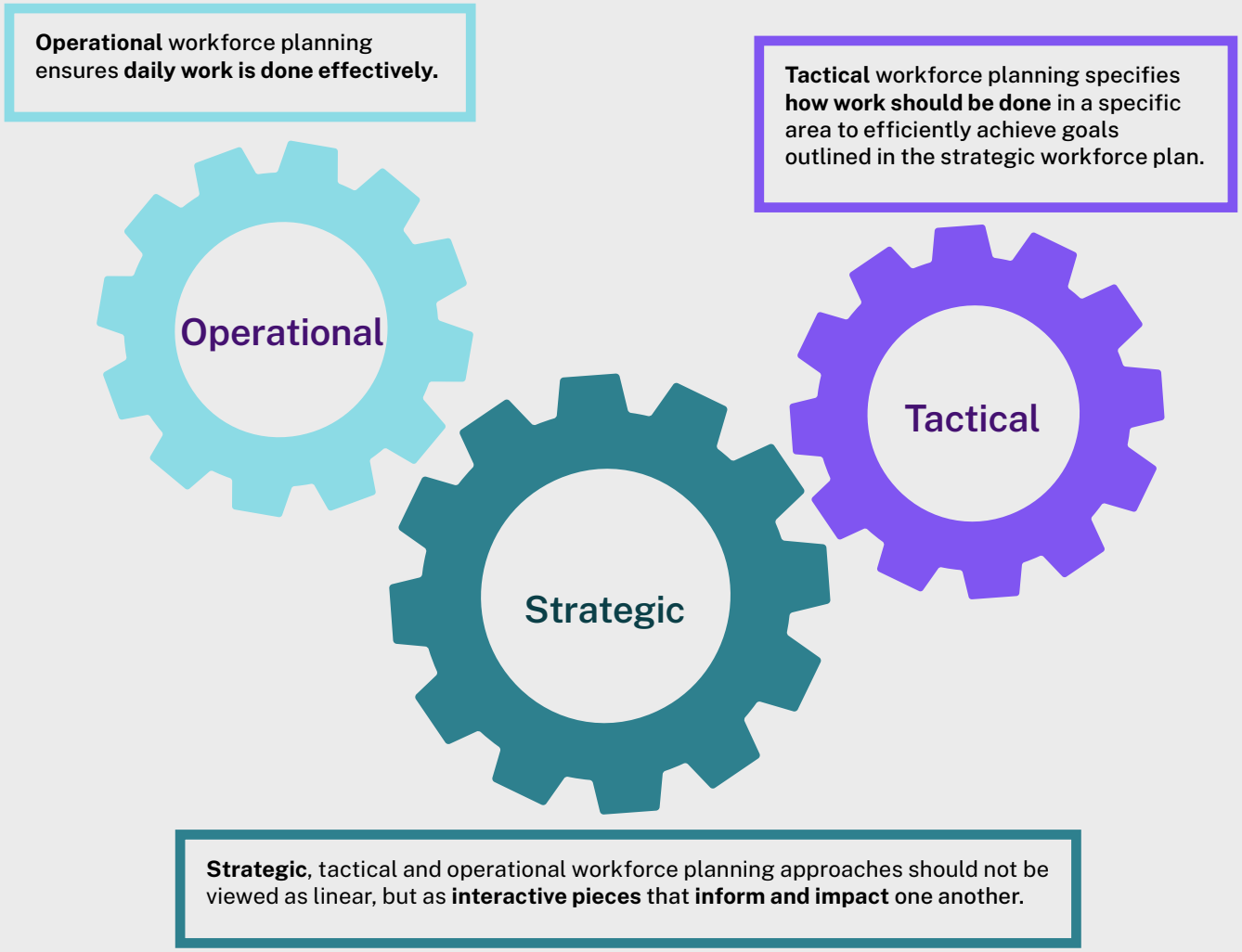


Figure 3: Workforce planning approaches

Talent management

A key component of strategic workforce planning

Talent management is a key component of strategic workforce planning. Talent management is an organisation's approach to identifying, developing, supporting, and mobilising individuals to meet strategic business needs. The 3 components of talent management are shown in Figure 4 below.

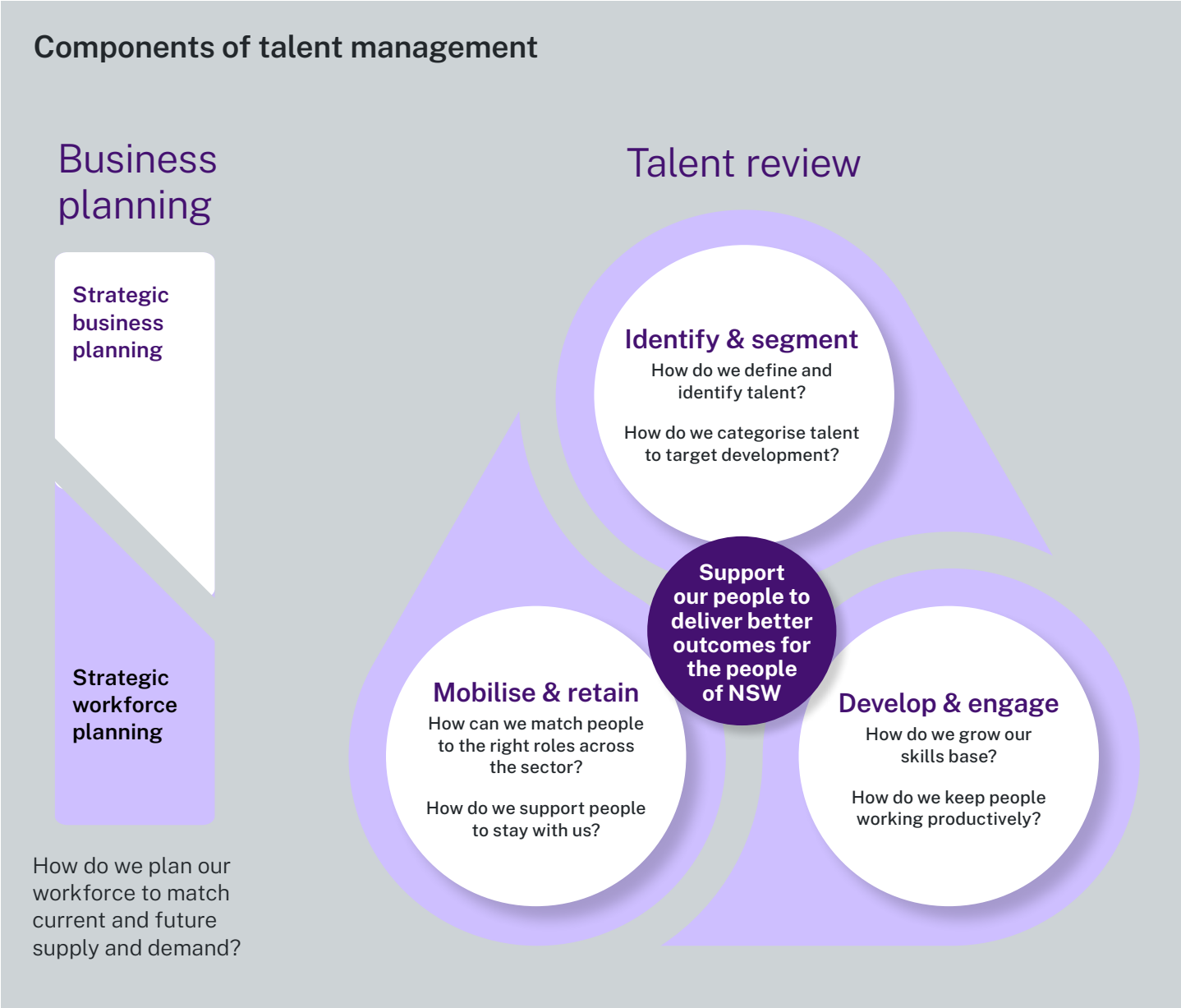


Figure 4: Components of talent management

Benefits and challenges

One of the most common obstacles to implementing strategic workforce planning is the view that an agency does not have all the necessary information for the process to be successful – for example when the available workforce data is either limited or unreliable.

Even starting strategic conversations about longer-term workforce needs can provide significant benefits to an agency.

The benefits and challenges of implementing strategic workforce planning

Benefits	Challenges
• Improves employee mobility and provides more job security • Helps to achieve state and organisational strategic goals • Mitigates risks from future capability gaps and critical, hard-to-fill roles • Identifies and prepares pipelines for future required workforce capabilities • Encourages active consideration of organisational workforce diversity goals • Facilitates transitions to other models of service provision • Provides greater agility and flexibility to deal with change • Enables more efficient and cost-effective use of resources	• Trying to do too much at once instead of starting with what is manageable • Senior leadership not valuing or supporting strategic workforce planning • HR and business units being siloed, so they do not collaborate effectively • Not using talent management to really know the workforce • Getting caught up in the data and analytics, instead of starting with what is available • Focusing only on day-to-day operations, budgeting and headcount • Not thinking about potential broader macro impacts on the workforce when planning • Treating the strategic workforce plan as a static document and not revisiting it throughout the planning life cycle

Figure 5: The benefits and challenges of implementing strategic workforce planning

“Start with what you’ve got to get the ball rolling, then proceed and keep iterating. The conversation is one of the most valuable outputs – once people start talking, the planning evolves from there.”

Director Talent and Workforce
NSW Department of Justice

The strategic workforce planning cycle

Having a systematic approach to strategic workforce planning is recommended to optimise the benefits of the process. However, as strategic workforce planning is an iterative and continuous process, there is always the option to revisit earlier stages.

The following section outlines the core requirements and better practice for each stage of the strategic workforce planning cycle. The cycle is informed by organisational strategy and data.

The core requirements for each stage of the strategic workforce planning cycle

Figure 1: The strategic workforce planning cycle

Core requirement 1: 'Align'

Align strategic workforce planning with organisational strategy

Align

Goal: Understand longer-term organisational priorities and goals, so workforce planning strategies are designed to deliver them.

Questions to get you started

- What are the key organisational business objectives for the next 3-5 years?
- What are the 3-4 large-scale challenges that may affect the achievement of these objectives?
- What are the implications of the organisational objectives for different parts of the organisation?
- What are the current programs of work or initiatives required to execute the organisational objectives?
- What is the time frame available to execute each of the initiatives?
- Who will be accountable for each of the initiatives?
- What capabilities are critical to achieving the organisation's strategic objectives?
- How are current employees divided into useful workforce segments?
- Have groups for development, retention and mobility been identified?

Possible sources of evidence

- The organisation's strategic objectives and key business drivers (e.g., vision and mission statement)
- Relevant and validated internal data (e.g., HR and finance reports)
- Relevant and validated external data (e.g., Workforce Profile reports, People Matter Employee Surveys, the Premier's Priorities)
- Stakeholder consultation

Suggested actions

- Obtain a clear statement from the senior leadership team on the workforce themes that are relevant to the organisation's strategic plan
- Determine the business units, programs, activities etc. that are critical to achieving the organisation's strategic objectives. Consider the ways in which the workforce is segmented.
- Establish clear links between the organisation's needs, financial assets, and workforce planning
- Establish clear timelines for workforce planning
- Organise the workforce with consideration of its workforce requirements both now and in the future (e.g., how important a role is to organisational imperatives)
- Identify the capabilities required to achieve desired outcomes over the period
- Consider workforce diversity requirements
- Encourage the organisation's senior executives to sponsor a cross-functional team with clear roles and responsibilities who develop, implement, and monitor strategic workforce planning

Core requirement 1: additional guidance

Align strategic workforce planning with organisational strategy

Align

Snapshot 1: Strategy mapping tool

Snapshot 1 provides a 'big picture'' view of where an agency's strategic workforce plan may fit into the overarching organisational strategy.

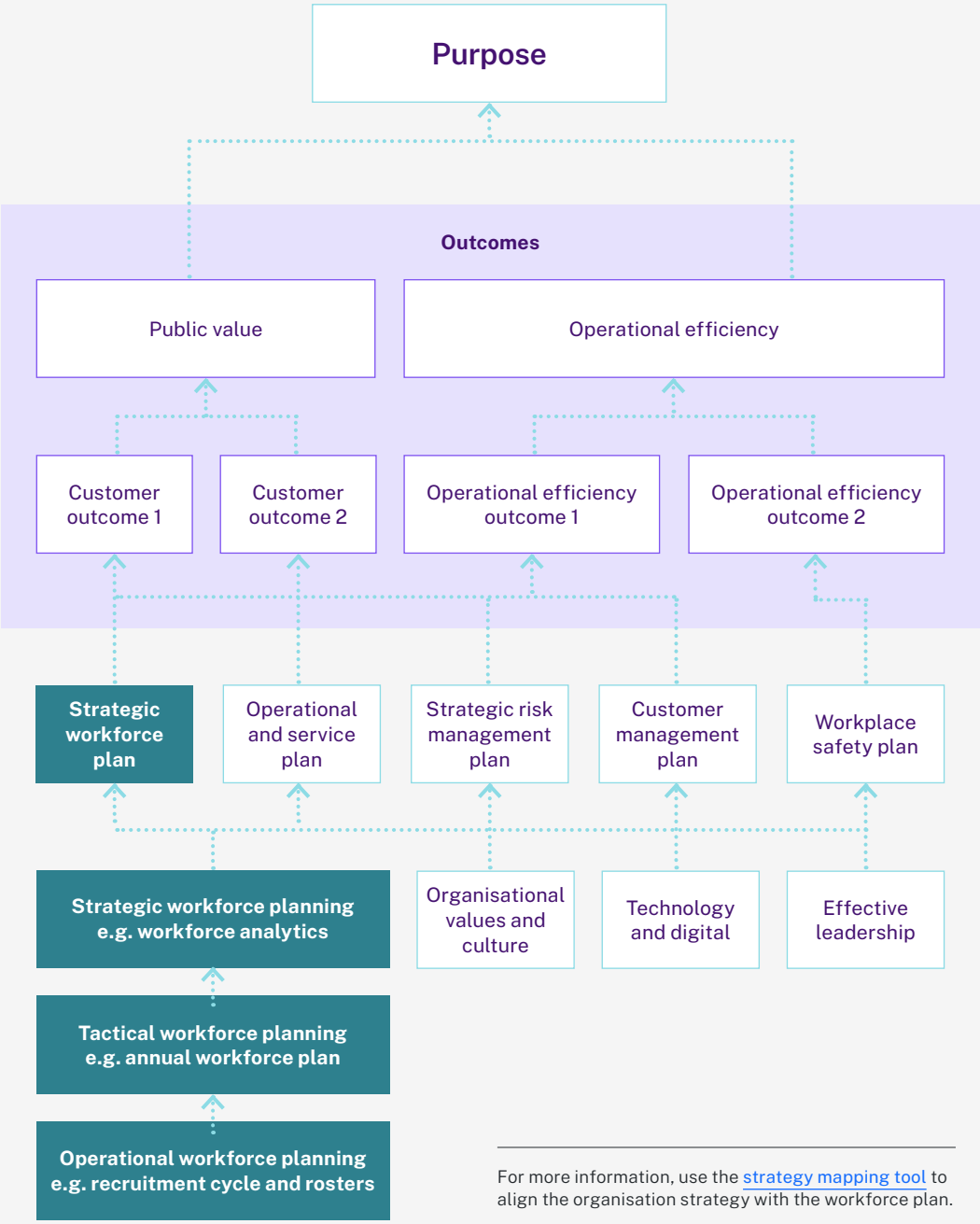
The **purpose** depicts the vision and mission of the organisation. It starts with legislation and ministerial/ parliamentary direction, but expands to include customer/community requirements.

The **public value** perspective describes the outcomes the agency will deliver for its customers: the organisation's end users, stakeholders and community groups.

The **operational efficiency** perspective describes how the organisation will deliver its public value and customer outcomes efficiently and effectively.

The **strategic plans and priorities** perspective relates to the critical organisational processes and activities required to deliver customer and operational efficiency outcomes.

The **organisational capability** perspective relates to intangible business mechanisms, such as skills, knowledge, culture, systems and data. These factors underpin the organisation's strategic plans and priorities, and its ability to deliver desired outcomes and achieve its purpose.



For more information, use the strategy mapping tool to align the organisation strategy with the workforce plan.

Core requirement 1: additional guidance

Align strategic workforce planning with organisational strategy

Align

Diagnosing current state

Organisations may be at different stages of maturity in implementing strategic workforce planning. The maturity level is driven by a combination of factors including:

- organisational priorities
- organisational readiness
- data availability and quality
- internal capacity and capability to undertake the strategic workforce planning

Figure 6 may help organisations assess their current maturity level.

Maturity of strategic workforce planning

	Emerging	Developing	Well developed	Mature
Resourcing	Little to none	Ad hoc	Linked to business planning	Dedicated team
Planning for capability and diversity	Reactive and siloed	Considered by team or function	Shared understanding across organisation	Identified and prioritised across organisation
Organisational design and culture optimised for business needs	Little consideration	Reactive and siloed	Building a holistic view	Most effective options identified for whole of business
Data driven	Little availability and capability	Partial understanding and capability	Patchy data is being segmented and analysed	Data collection and forecasting is embedded and prioritised
Scenario planning	Not yet started	Localised	Beginning to connect across the organisation	Regular and networked
Workforce gap analysis	Little awareness of gaps	Reactive and siloed	Beginning to align across the organisation	Holistic and future focused
Workforce strategies	No coordinated planning	Branch specific	Local plans are being brought together using a collaborative approach	Integrated strategies with clear accountabilities
Transition planning	Reactive and individualised	Common approaches identified but not yet implemented	Moving towards a holistic approach	Coordinated and holistic support
Evaluation	No review	Ad hoc	Patchy but becoming aligned across the organisation	Scheduled and systematic

Figure 6: Maturity of strategic workforce planning

Core requirement 2: 'Compare'

Compare current and future workforce

Compare

Goal: Compare current and future workforce against what is needed to deliver strategic objectives. Consider plausible scenarios that could impact the workforce.

Questions to get you started

- How well does the current workforce align/support the organisational plan/strategy?
- What employment arrangement types are present (e.g., ongoing, temporary, casual, contingent, volunteers etc.) and what is their contribution?
- How many employees are at each organisational level and location?
- What are the diversity statistics for each workforce segment, and are there opportunities to target the recruitment of diverse groups?
- How flexible is the workforce? Does the organisation make use of non-full-time appointments such as job sharing?
- What are the challenges associated with attraction, recruitment and retention?
- How may the organisation's work change in the future due to DEGEST (Demographic, Economic, Government and Policy, Environmental, Social and Cultural and Technological) factors?
- What are the characteristics of the desired workforce within the next 3-5 years?
- How will your future capability needs compare with current capability needs?
- What new capabilities will be needed and at what level?
- Are the required capabilities readily available within the organisation or the labour market?

Possible sources of evidence

- Relevant and validated internal data (e.g. recruitment and employee data, organisational structure analysis)
- Current state interviews
- Relevant and validated external data (e.g. labour market data, wider industry trend predictions, workforce supply and demand data)

Suggested actions

- Analyse the capability and capacity of the existing workforce
- Complete scenario planning to identify plausible future events and their workforce size and cost implications
- Consider future ways of working, taking into account the impact of emerging technologies and the need for organisational and work redesign
- Determine external labour market trends and the potential impact on workforce requirements
- Forecast the demand for workforce capacity and capability over the defined period
- Define the culture and conditions needed to effectively meet workforce requirements
- Complete workforce gap analysis, comparing the existing internal and external workforce with future workforce requirements, culture, and conditions to identify potential shortages, surpluses, and areas of risk

Core requirement 2: additional guidance

Compare current and future workforce

Compare

Using the DEGEST model to conduct environmental scanning

The steps to be taken in implementing a strategic workforce plan will depend on organisational context and external factors. Organisations expecting major changes will be required to undertake different types of activities than organisations anticipating a business as usual environment.

Conducting an environmental scan and considering DEGEST factors will ensure the strategic workforce plan prepares the organisation for the future. Refer to Figure 7 to understand the DEGEST factors.

Understanding the DEGEST factors

Demographic

- Demographic trends
- Geographic population shifts

Economic

- Economic environment
- Unemployment rate
- Exports and imports
- Industry changes
- Exchange and interest rates

Government and policy

- Changes in government or leadership
- Policy and legislative changes
- Changes in government spending and subsidies

Environmental

- Changes in weather and climate
- Global warming
- Carbon tax

Social and cultural

- Nature of work
- Attitudes to work
- Income distribution
- Lifestyle

Technology

- Technological advances
- Service delivery and access
- Communication channels

Figure 7: Understanding the DEGEST factors

Core requirement 2: additional guidance

Compare current and future workforce

Compare

Figure 8 helps you identify trends occurring at the macro level and assess its impact and certainty using the DEGEST model.

- **Scale of impact** refers to the impact the trend may have on your organisation and workforce.
- **Certainty** refers to how certain we can be of the impact the trend may have on your agency.
- **Timeframe** refers to the peak impact of this trend.

Conducting trend analysis using the DEGEST model

	Identified trend	Scale of impact	Certainty	Timeframe
Demographic	E.g., Ageing population	High	High	10 years
Economic	E.g., Unemployment rate significantly reduced	High	Low	8 years
Government and policy	E.g., Bottom–up policies	Medium	Medium	7 years
Environmental	E.g., Accelerated species extinction due to climate change	High	Medium	5 years
Social and cultural	E.g., Increased nationalism and decreased globalisation	High	Low	3 years
Technological	E.g., Significant increase in use of blockchain	High	Low	2 years

Figure 8: Conducting trend analysis using the DEGEST model

Regardless of the scale or impact of change expected, strategic workforce planning is needed to ensure the right people are in the right roles at the right time.

Core requirement 2: additional guidance

Compare current and future workforce

Compare

It is important when undertaking strategic workforce planning to take into account the external labour market.

An organisation may have a clearly defined strategic vision and business strategy, but not taking into account constraints in external workforce supply or demand creates significant operational risk. Figure 9 offers questions that can be asked during an in-depth analysis of the external labour context.

Definitions:

- External workforce supply is defined as the availability and accessibility of staff and capabilities in the external labour market.
- External workforce demand is defined as the workforce capability and capacity an organisation needs to achieve their objectives, now and into the future.

Understanding the external workforce supply and demand

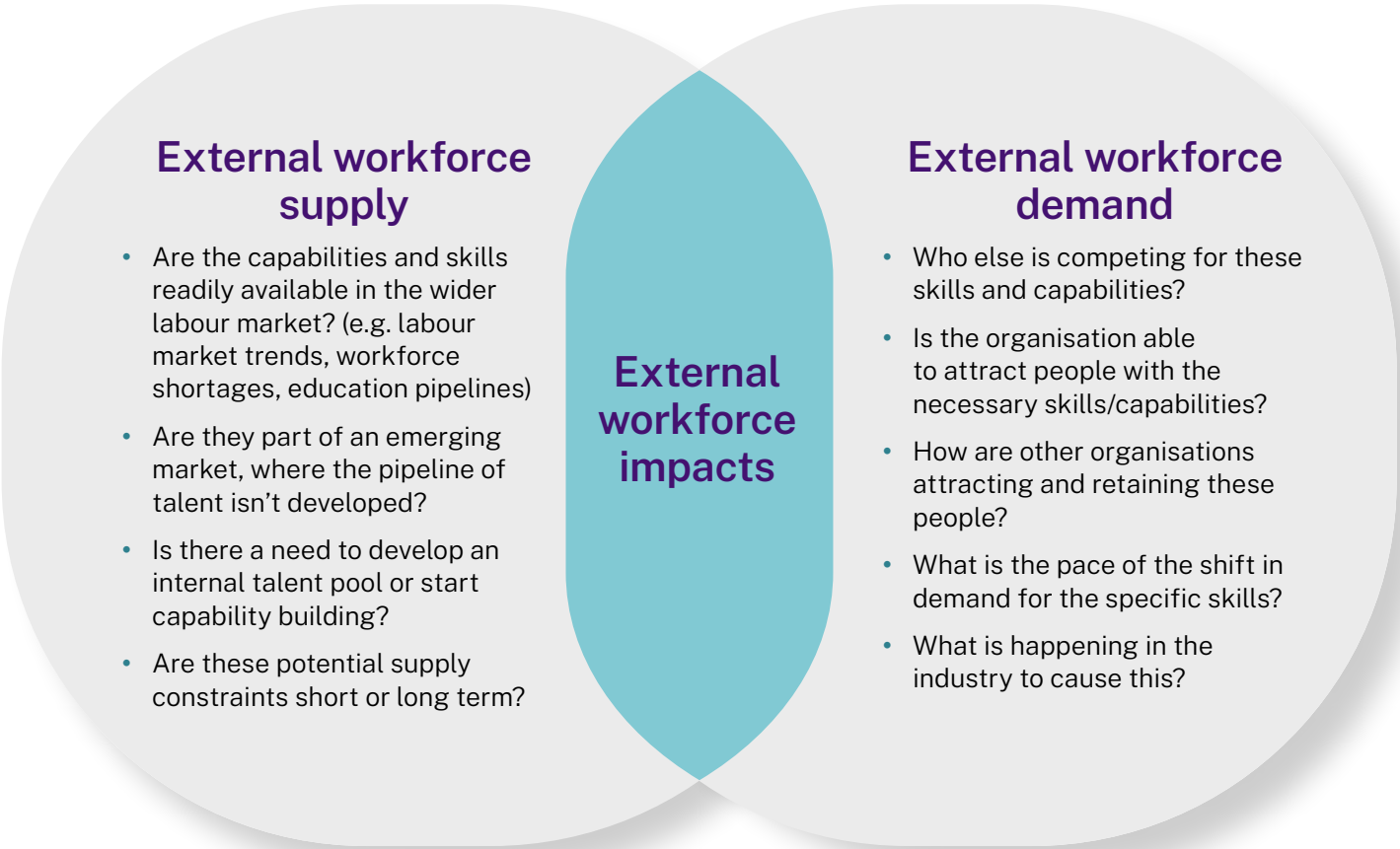


Figure 9: Understanding the external workforce supply and demand. 'Labour market data fact sheet' for more information

Core requirement 2: additional guidance

Compare current and future workforce

Compare

It is likely that every agency will face challenges with obtaining data at some stage during their planning process. The snapshot below illustrates how strategic workforce planning can lead to positive outcomes without having access to 'ideal' data.

Snapshot 2: Achieving success with limited data

Challenge

- An organisation had embarked on a strategic workforce planning program, but was struggling with data accuracy and access.
- They were concerned that without collecting large amounts of data they wouldn't get the benefits from the process.
- This roadblock had raised the risk of the project stalling and ultimately being stopped.

Action

- Instead of waiting for all the data, they brought together the right group of stakeholders (HR and unit managers) and used the operational and workforce data available.
- This enabled them to start building a picture of strategic workforce requirements and gaps.
- They also substituted some data with external data (e.g. workforce trends and skills availability) to help shape the workforce plan.

Successes

- The project team were able to deliver a strategic workforce plan which aligned with the organisation's strategic goals, identified critical skill and capability gaps, and created an action plan to address them.
- The team identified opportunities to improve quality of service due to the data analysis undertaken and workforce planning initiatives.
- By focusing on the top 10 critical roles, the organisation addressed more than 70% of the workforce gap and realised a $200,000 saving in contingent labour spend. They were able to reallocate those funds to upskill existing employees in customer service and safety.

Core requirement 3: 'Identify'

Identify initiatives to close the gap

Identify

Goal: Identify initiatives to close gaps between current and future workforce. Consider required capability and capacity.

Questions to get you started	• Which current workforce strategies will help bridge the gap? • Which gaps require new or adjusted workforce strategies? • Which required capabilities will be developed in-house vs recruited? How will this be done? • What opportunities are there to target diverse groups? • How will different employment types (e.g., ongoing employees, contractors, etc.) be utilised? • How will projected work and the workforce changes be addressed? • What culture change will be required to keep the future workforce engaged?
Possible sources of evidence	• The internal and external supply and demand analysis and environmental scanning outputs conducted in 'Compare' phase • External and sector wide research on workforce strategies • Learnings from past implementation of workforce strategies
Suggested actions	• Brainstorm initiatives • Identify areas of risk to be addressed by initiatives • Evaluate and prioritise initiatives

Core requirement 3: additional guidance

Identify initiatives to close the gap

Identify

The following snapshot highlights some of the potential issues that arise when agencies fail to consider a range of strategies to close workforce gaps.

Snapshot 3: Using contingent labour vs. robust workforce planning

Contingent labour is the employment of people through a labour hire arrangement and can be a valuable approach for solving labour supply issues or temporarily filling capability gaps. However, the engagement of employees under any type of employment arrangement, whether that be ongoing, temporary, contingent, or contract labour, should be carefully considered as part of a robust workforce plan.

Contingent labour may seem like a good solution to resourcing issues, but when it becomes a default hiring strategy in place of considered workforce planning, agencies can face a number of risks.

Some key issues when there is an over reliance on contingent labour:

Cost	• "Government spending on contingent labour has increased significantly over the last five years, from $503 million in 2011-12 to $1.1 billion in 2015-16."
Knowledge transfer	• "...Agencies' offboarding guidelines did not always provide for knowledge transfer. This was identified as a key risk by staff because it is important to ensure that critical skills and knowledge are retained."
Understanding and addressing critical skills gaps	• Use of contingent labour is not frequently monitored or analysed to determine "how it is being used to address any skills gaps". • Contingent labour should only be used when it is the most efficient and effective option available to respond to an organisation's business needs. It should inform, and be informed by, strategic workforce planning. • Strategic workforce planning helps hiring managers make "decisions on the best resource strategy to meet their business needs", and contingent labour "should only be engaged after considering all other recruitment options". • A strategic workforce plan can help organisations avoid these obstacles by supporting them to use their existing workforce more effectively and hire more strategically for the long-term. Using the existing workforce and getting the right people in the right roles at the right time will assist in reducing use of contingent labour, in turn reducing costs and retaining organisational knowledge.

Source: NSW Auditor-General's Report – Contingent workforce: procurement and management, 2017 pp. 2-4

Core requirement 4: 'Implement'

Define and implement the plan

Implement

Goal: Define and implement actions to address workforce gaps while managing any associated risks.

Questions to get you started

- What needs to be done to achieve the desired future state?
- Who will be responsible for implementation of each part of the plan?
- Which senior leaders will champion/sponsor the plan?
- Which positions need to be recruited in the future?
- How will a pipeline be developed to identify and recruit high performers?
- Has a strategy for recruiting a diverse group of candidates been developed?
- How will essential organisational knowledge and key personnel be retained within the workforce?
- How can we utilise technology? Which tasks and roles can be augmented or automated?
- What development opportunities exist and how will they be utilised?
- How will current employees be developed to achieve future requirements, succession, and individual success?
- Will the initiatives close gaps with the appropriate level of risk and cost?

Possible sources of evidence

- Cost vs. benefit of workforce planning actions
- Scenario planning outputs from 'Compare' phase
- Brainstormed initiatives from 'Identify' phase

Suggested actions

- Determine the most cost-effective way forward.
- Develop comprehensive options to close workforce gaps and evaluate options to select strategies that effectively address the gaps with the appropriate level of risk
- Consider a broad range of workforce strategies including acquiring external talent, developing the existing workforce, leveraging contingent labour, reorganising teams or uplifting performance
- Identify how the plan will be integrated into other workforce management practice areas as part of planning implementation
- Agree on ownership for implementing action plan activities and resource the planned changes with executive support
- Take a coordinated approach to managing changes to the work environment and supporting existing employees to transition to the new arrangements

Core requirement 4: additional guidance

Define and implement the plan

Implement

Building the plan

Developing a strategic workforce plan that appropriately identifies strategies to manage workforce needs can take between 3-6 months, depending on stakeholder accessibility and data availability.

Plans should be reviewed at least annually to align with other planning cycles, or as significant changes occur that would impact workforce requirements within these periods.

A good strategic workforce plan should:

- be informed by the organisation's strategic business plan
- based on data and evidence
- be specific, measurable, achievable, realistic, timely (SMART)
- consider budget requirements
- plan the resources that the organisation will need in the future
- demonstrate investment in staff development and preparing critical talent pipelines
- demonstrate commitment to a diverse and inclusive workforce at all levels
- have executive backing
- be iterative – addressing all the core requirements prescribed above.

Figure 10 further examines the qualities of a good strategic workforce plan.

Core requirement 4: additional guidance

Define and implement the plan

Implement

What does a good strategic workforce plan look like?

Understand organisational imperatives

- Work closely with organisational leaders to understand strategic and operational imperatives
- Use this to translate organisational strategy into workforce implications and understand the impact of workforce changes
- Plan the future workforce, keeping in mind internal transformations and macro trends (e.g. digitisation, artificial intelligence, robotics, ageing population etc.)

Identify critical workforce segments

- Identify basis for workforce segmentation (e.g. roles, titles, capabilities, location, job family)
- Prioritise workforce segments
- Understand existing roles, compare to future roles
- Undertake preliminary analysis of supply factors to inform scope, definition, planning and design

Understand internal and external supply and demand

- Conduct deeper analysis and review of internal workforce supply and demand factors against the identified workforce segments
- Prioritise workforce segments and identify external drivers affecting supply and demand
- Identify assumptions for future workforce to be accounted for in action planning

Workforce gap prioritisation

- Develop framework parameters to assess and evaluate gaps
- Prioritise gaps across identified scenarios
- Develop strategies to minimise/close gaps in conjunction with relevant HR and organisational stakeholders
- Conduct workshops to explore the impact of these strategies

Action planning against the employee lifecycle

- Prioritise and select gap closing actions accordingly
- Consolidate the strategies into action and implementation plans
- Add additional detail to action plans as required
- Assign owners to relevant actions
- Agree on milestones and measures of success for the actions within the plan

Embed, measure and review

- Develop a narrative of identified implications and recommended strategies
- Implement the strategies and actions in accordance with the strategic workforce plans
- Establish a governance framework to continually evaluate the action plan and implementation of the strategic workforce plan

Figure 10: What does a good strategic workforce plan look like?

Core requirement 4: additional guidance

Define and implement the plan

Implement

To be effective, strategic workforce planning should not be seen as just an HR function. It is essential to have support and participation from everyone involved in the process including leaders, all levels of management and the workforce. Once stakeholders are identified, organisations can customise how they engage and involve them in the process. Below is an example of who could be responsible, accountable, consulted and informed during each stage.

> "You can't understate the level of consultation you need... We spend a lot of time getting numerous different parties who have common interests into a room talking to each other, to help build our strategic workforce plans."
>
> (Director, NSW Ministry of Health)

Example responsibility assignment matrix

R Responsible | A Accountable | C Consulted | I Informed

Core Requirement	Goal	Business	HR	Finance	HR SME*
1. Align Align strategic workforce planning with organisational strategy	Understand longer-term organisational prioritises and goals, so workforce planning strategies are designed to deliver them.	A	R	C	I
2. Compare Compare current and future workforce	Compare current and future workforce against what is needed to deliver strategic objectives. Consider plausible scenarios that could impact the workforce.	R	A	C	C
3. Identify Identify initiatives to close gaps	Identify initiatives to close gaps between current and future workforce. Consider required capability and capacity.	A	R	I	C
4. Implement Define and implement the plan	Define and implement actions to address workforce gaps while managing any associated risks.	R	A	I	A
5. Review Monitor, evaluate and revise	Monitor and evaluate implemented strategies. Revise as needed.	A	R	R	C

Note: Responsibility between HR and Business may be shared and/or interchange depending on individual agency.
* HR subject matter experts include recruitment, learning and development, etc.

Figure 11: Example responsibility assignment matrix

Core requirement 4: additional guidance

Define and implement the plan

Implement

As suggested by the previous example, assigning responsibility for actions is crucial to the success of strategic workforce planning.

Creating an action plan with clearly defined roles and responsibilities for its implementation is critical following the development of a strategic workforce plan. This is where the results from understanding the business drivers, workforce supply and demand, segmentation and workforce gaps are included in a plan to address the required capabilities over the 3-5 year planning horizon.

To ensure that this occurs and that the effort to get there is not wasted, business units and HR need to work collaboratively to determine which actions are most vital to achieving the organisation's goals.

These critical actions must then be assigned to an individual to follow through, with the sponsorship of senior leadership.

Once actions are assigned, it is important to ensure continued measurement, tracking and reporting against agreed criteria to ensure accountability and success.

It is not uncommon that this is where the process breaks, with organisations failing to assign actions to implement. This results in a failure to shift the workforce mix, so the organisation does not have the right people in the right place at the right time.

Core requirement 5: 'Review'

Monitor, evaluate and revise

Review

Goal: Monitor and evaluate implemented strategies. Revise as needed.

Questions to get you started	• How will the organisation monitor the success of strategic workforce planning in delivering business objectives? • How should actions be monitored and reported? • How will progress towards outcomes be monitored? • How will progress be communicated to stakeholders (e.g., leadership, employees, etc.)? • Who will own the post-implementation review process? • How will the implementation be continually evaluated and revisited to ensure strategic workforce planning reflects any significant internal or external changes?
Possible sources of evidence	• Implementation KPIs set by the organisation • Strategic workforce plan and implementation roadmap
Suggested actions	• Use an evidence-based approach to develop, implement and monitor workforce plans by analysing operational, financial, workforce and external data • Define KPIs and success metrics • Report to the organisation head at least annually on the plan's impact and any needed adjustments • Monitor the expected impact of the changes on business objectives, and take corrective action if needed • Assess the expected impact of the changes on organisational outcomes and revise the organisation's strategic planning as needed • Monitor the expected impact of changes on organisational objectives and use feedback in future strategic workforce plan iterations

Core requirement 5: additional guidance

Monitor, evaluate and revise

Review

The success of strategic workforce planning can sometimes be monitored through feedback from an organisation's customers. The snapshot below provides an example of how strategic workforce planning can directly improve service delivery.

Snapshot 4: Benefits of ensuring alignment

Challenge

- A service delivery organisation was embarking on a digital transformation that would have implications on its large call centre workforce.
- There was a lack of alignment in the pace of the digital roll-out and the shift in operating model, varying its expected impact on the workforce.
- It was unclear how the workforce would shift to support this change and what capabilities would be required.

Action

- A detailed strategic workforce planning process was undertaken to identify the workforce and capability gaps.
- Discussions around the strategic imperatives and timelines amongst senior stakeholders were held during the exploration phase to facilitate alignment.
- Obtained endorsement from senior leaders on organisational strategy and the workforce capabilities required to achieve goals.

Successes

- The team highlighted workforce gaps within critical roles/ segments.
- The team identified the need for development of internal digital, user experience, analytic and technological capabilities to achieve the initial timeline.
- The clearer view of supply and demand factors and workforce capability needs delivered a saving of $7 million in labour and operational costs.

Additional tips for implementation

Strategic workforce planning should be a collaborative 'top down – bottom up' planning process. The below figure recaps the suggested process for developing a strategic workforce plan.

Developing the strategic workforce plan

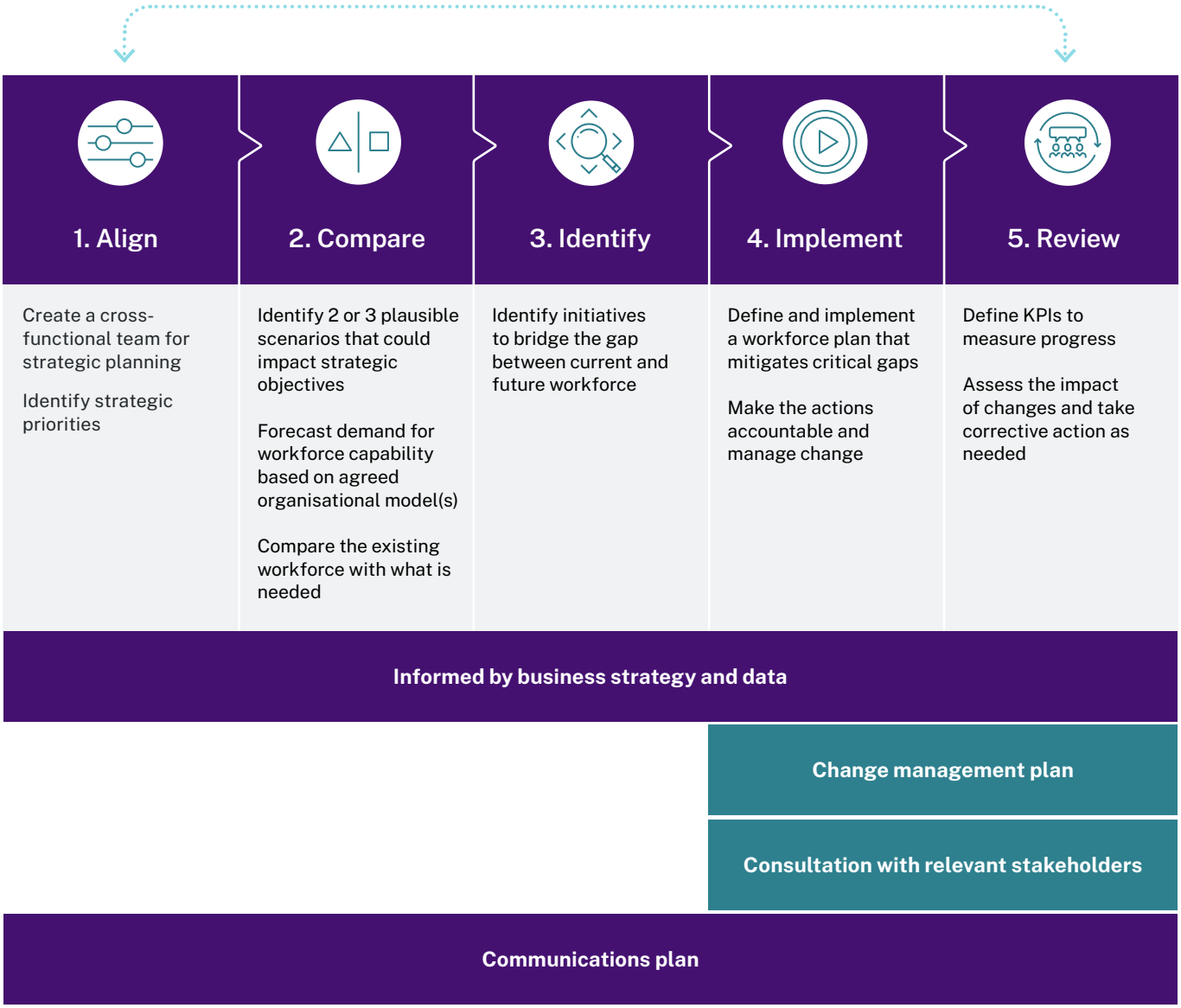


Figure 12: Developing the strategic workforce plan

The process for implementing strategic workforce planning is continuous and iterative, the key is to get the conversations started.

Tips for implementation

Implementation tip	Description
Emphasise the process	Workforce planning can be successful simply by surfacing assumptions and issues even if problems aren't fully resolved.
Organise effectively	Decide how workforce planning will integrate with your broader planning and organisational goals.
Skill up	Understand your organisation's requirements to make sure you are asking the right questions.
Understand demand	Understand how your workforce requirements might change due to internal and external factors.
Standardise data	Agree on definitions and quality standards to ensure data is collated as easily and accurately as possible.
Build analytical capability	Develop skills to understand, manipulate and present data.
Identify key groups	Understand the key workforce segments that will deliver the greatest organisational uplift.
Deal with uncertainty	Use scenario planning rather than forecasting to deal with the high level of complexity and uncertainty.
Analyse capability	Understand workforce changes in terms of skills, competencies and capabilities.
Educate senior management	Emphasise the time and resources required to hire, train or redeploy staff to meet changing business needs, factoring in staff aspirations, development and retention (time to competency).

Figure 13: Practical tips for implementing strategic workforce planning

Strategic workforce planning cycle 'on a page'

Core requirement	Goal	Elements for consideration
1. Align Align strategic workforce planning with organisational strategy	Understand longer-term organisational priorities and goals, so workforce planning strategies are designed to deliver them.	There is a clear statement from the organisation leadership team on the workforce themes that are relevant to the organisation's strategic plan. The business units, programs, activities etc. that are critical to achieving the organisation's strategic objectives have been determined. Clear links between business needs, financial assets and workforce planning are established. Clear timelines for business, financial, asset and workforce planning are established. The workforce is segmented on an understanding of the workforce requirements needed for both current and future roles. The required capabilities to achieve organisational outcomes over the period have been identified. Workforce diversity requirements are addressed. The organisation's senior executive sponsors a cross-functional team that has clear roles and responsibilities for developing, implementing and monitoring strategic workforce planning.
2. Compare Compare current and future workforce	Compare current and future workforce against what is needed to deliver strategic objectives. Consider plausible scenarios that could impact the workforce.	Scenario planning is completed to identify plausible future events and their workforce size and cost implications. Future ways of working, including the impact of emerging technologies, and the need for organisational and work redesign, are considered. The composition of the existing workforce is analysed. The external labour market trends and the potential impact on workforce requirements have been determined. The demand for workforce capacity and capability over the defined period is forecast. The culture and conditions required to effectively meet workforce requirements are defined. Complete workforce gap analysis comparing the existing internal and external workforce with future requirements to identify potential shortages, surpluses, and areas of risk.
3. Identify Identify initiatives to close gaps	Identify initiatives to close gaps between current and future workforce. Consider required capability and capacity.	Initiatives to bridge the gap between current and future workforce are identified. The strengths and weaknesses of the existing and future workforce are identified.

Core requirement	Goal	Elements for consideration
4. Implement Define and implement the plan	Define and implement actions to address workforce gaps while managing any associated risks.	The most cost-effective way forward has been determined. Comprehensive options to close the work and workforce gaps are developed and evaluated in order to select those strategies that effectively address the gaps with the appropriate level of risk. Consider a broad range of workforce strategies including acquiring external talent, developing the existing workforce, leveraging contingent labour, reorganising teams or uplifting performance. Integration with other workforce management practice areas is identified in the implementation plan. Ownership for implementing action plan activities is agreed upon and the planned changes are resourced with executive support. A coordinated approach is used to manage the changes to the work environment and to support existing employees to make the transition to the new arrangements, if applicable.
5. Review Monitor, evaluate and revise	Monitor and evaluate implemented strategies. Revise as needed.	An evidence-based approach is used to develop, implement and monitor workforce plans by analysing operational, financial, workforce and external data. Key performance indicators and success metrics are defined. Report to the organisation head at least annually on the plan's impact and any needed adjustments. The expected impact of the changes on business objectives is monitored, and corrective action is taken if needed. The expected impact of the changes on organisational outcomes is assessed, and the organisation's strategic planning is revised as needed. The expected impact of changes on business objectives is monitored and fed back into future strategic workforce planning iterations.

Figure 14: Strategic workforce planning cycle 'on a page'

Public Service Commission

NSW GOVERNMENT

Strategic Workforce Planning Framework

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