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Creating Effective Organizations Through People

STRATEGIC WORKFORCE DEVELOPMENT PLANNING

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$\mathcal{S}$ignificant workforce issues lie ahead for most utilities due to the retirement of Baby Boomer age employees. To add to this, following generations are made up of a significantly smaller workforce and many organizations have traditionally been slow to address their training needs from a strategic perspective. Because the majority of organizations are only now beginning to realize the challenges that lay ahead of them; a significant workforce crisis is looming and organizations, including utilities, need to prepare for it now.

Organizations that successfully deal with the impact of workforce issues are those organizations that have created a workforce that feels passionate about what they do; they've created an Employer of Choice culture. In this type of organization employees are activity engaged in what the organization is about - its purpose. An important component of being an Employer of Choice is a strategic workforce development plan; a plan that builds on an employee's strengths and passions in both their work and personal lives. Regardless of the focus: work, home or play, excellence is only possible with an actively engaged heart. The strategic workforce development planning process integrates passion into the development process.

The International Personnel Management Association defines workforce planning as "the strategic alignment of an organization's (human) capital with its business direction. It is a methodical process of analyzing the current workforce, identifying future workforce needs, establishing the gap between the present and the future, and implementing solutions so that an organization can accomplish its mission, goals and objectives."

The Employee Development Planning process begins with a "person-type" assessment that assists the employee in identifying their strengths and relating them to what the organization needs to meet its strategic objectives. A facilitated approach is then used to discuss employee strengths, both work-related and personal, and guide the process of developing the employee's personal development plan. The plan is then reviewed by the employee, and preferably his or her supervisor, on a quarterly basis.

Strategic workforce planning must be founded on the organization's strategic plan and usually consists of the following seven components, grouped in two sets: assessment and action planning.

> **Assessment**
> Available Workforce
> Workforce Demand
> Skills Inventory
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> **Action**
> Employer of Choice
> Change Management/Training
> Knowledge Management
> Leadership Development

In addition, there is a recommended additional set of components involving optimization that go beyond the basics listed above.

ASSESSMENT

The Assessment step looks at workforce outflows (from retirements and other departures) that create the need for new employees, plus the staffing demands created by growth and other changes.

Available Workforce

This step forecasts the impact of retirements and other attritions on the available staffing. It begins by examining the timing along with the number, responsibility and function of employees eligible for retirement. In addi-

Strategic Workforce Planning

Employee Development

Organizational Optimization

Workforce Assessment

Strategic Planning

tion, the organization's average attrition rate needs to be considered. The result is a workforce supply forecast.

Workforce Demand

The demand step determines the staffing level required to accomplish the organization's mission. This plan is based on the strategic plan including growth, operational initiatives, additional facilities, new regulations, etc.

Skills Inventory

The numbers resulting from comparing the previous two steps – the gaps – don't paint the entire picture. The planning process needs to asses the type and quantity of skills the organization will need over the life of the plan. This involves:

- Determining needed skill sets
- Evaluating current skill levels
- Identifying factors affecting demand for specific skills
- Identifying workplace changes that will impact skill requirements
- Developing alternative scenarios

ACTION

The second workforce planning set consists of those steps required to ensure that the organization's human

capital supports its mission.

Employer of Choice. Becoming an Employer of Choice is about attracting and retaining highly competent, industrious workers. The organization should attract and keep top talent by providing employees with the types of training and work-related experiences they need to excel in their current jobs and advance along a career path into positions of increasing responsibility.

1. ***Development.*** An important aspect of being an Employer of Choice is an effective training program that addresses technical, management, and leadership/supervisory training. Developing a comprehensive training program that encompasses necessary training components involves the following tasks:

   a. Assessing current training programs
   b. Developing a training framework
   c. Developing needed training components
   d. Building a strategic training plan

2. ***Retention.*** Employee Retention Programs involve the practice of minimizing turnover in the organization. They involve using existing services and programs or putting new initiatives in place that will encourage employees, increase morale, help productivity, and create an overall favorable work environment.

3. ***Recruitment.*** Recruitment is the process of searching for and attracting qualified candidates to fill job vacancies. It includes branding the organization and developing schemes for recruiting and advertising that target and attract top talent to the organization and the industry as a whole. This should include a clear delineation of the behaviors, skills, and attitudes necessary to accomplish the position and organization's purpose.

Managing the Change

Key actions necessary to a successful change process are coaching, communication, training and monitoring. The workforce development plan, along with its objectives

and processes, must be communicated throughout the organization. A key to managing the change is an effective training program in change management. The training program discussed as a part of Employer of Choice is a critically important part of, and must include components related to, change management.

Knowledge Management

A critical part of effective workforce planning is the identification, transfer and capture of critical knowledge. A study funded by the AWWA and WEF Research Foundations estimates that more than 80% of useful operational knowledge is tacit, i.e. knowledge that is understood and therefore undocumented. There are a number of reasons for this:

- The long tenure of employees
- Widely distributed facilities
- The organization's culture

Leadership Development Plan
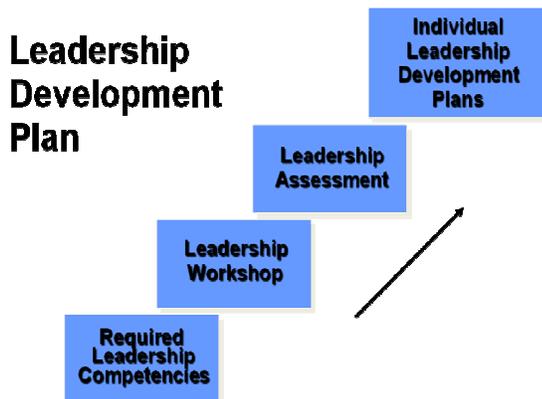
- The view that possession of key tacit knowledge creates personal security

An important first step in Knowledge Management is the identification of areas where immediate action is needed, such as areas expecting high levels of retirement, outdated documentation, areas with unique training requirements, and infrequent or non-routine events. The second step is to identify and rank processes in terms of knowledge and risk, and then create process teams for the high-risk processes. The last step is the analysis of each high-risk process and then the mapping of the most critical processes to identify the knowledge utilized in the processes.

Leadership Development

Leadership Development consists of competency mapping, training, leader assessment, and development plan creation.

1. **Leadership Competency Mapping.** An assessment is used to determine the various attributes (behaviors) of leadership that are important to the organization, along with the appropriate ranges for each attribute. The process should also prioritize attributes and identify variations in attribute scoring for different workgroups and levels of management within the organization.

2. **Leadership Training.** A training program should be established to train managers on the basics of leadership in a utility and/or local government-type organization. The program should cover at least the following topics:

   - Leadership fundamentals and characteristics in a utility organization
   - Organization's strategic focus and why it is important
   - The four core leadership practices and their relationship to culture and strategy
   - The importance of balanced leadership
   - Basics of organizational performance and key results areas
   - Integration of leadership and performance management
   - The importance of individual leadership development

3. **Leader Assessment.** A 360-degree assessment system should be used to provide comprehensive information about a manager's view of his or her leadership attributes, along with the view of their peers, direct reports, and supervisor. This information, along with the organization's strategic plan and the competency maps developed above, will establish the foundation for the creation of individual leadership development plans for each manager.

4. **Create Individual Leadership Development Plans.** Each manager participating in the leadership development process should create a leadership development plan that focuses on his or her particular training needs as identified in the 360° assessment process described above. Each plan should be reviewed by the manager's supervisor and should be integrated into the organization's performance management system.

Succession Planning. The organization's Leadership Team should develop and implement an overall leadership development planning and training process to guide the organization in identifying and developing a pool of candidates at various levels and for various positions within the organization. Programs should, to the extent possible, then be developed based on each manager's needs and should include areas such as additional training, mentoring/coaching, feedback, and challenging job assignments. These programs should address the full range of knowledge, skills and abilities required for the position.

BEYOND THE BASICS

TAP Resource recommends an additional set of components that address organizational optimization, or right-sizing. The three components in this set – Benchmarking, Staff Excess/Deficit, and Transition – are focused on ensuring that the organization becomes properly sized as it progresses through the staffing or generational changes. The goal of optimization is to make sure that there are the right numbers of people with the right competencies doing the right jobs. The generational and other changes that are occurring now and in the immediate future provide an excellent opportunity to make sure that the organization:

- has the right staffing level,
- is organized properly, and
- has the right people doing the right job

This set of activities is best accomplished between the Assessment and Action activities discussed earlier.

Utilities that successfully deal with the impact of workforce issues, including employee and leadership development, succession planning, and knowledge retention, will be much better equipped to deal with the challenges ahead. Workforce development is the foundation of a sustainable organization.

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