

Workforce Planning – Inspiring People Management

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Where: Hyatt Regency - Birmingham

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Notes - Paul Ross

Introduction:

John introduced the workshop and drew attention to the SCIE people management web site where a mini guide is available on Workforce Planning. <http://www.scie-peoplemanagement.org.uk>

The purpose of this workshop was to give an overview of workforce planning within the Social Care and Health workforce. The process covers four key stages:

1. Audit & Investigation
2. Forecasting
3. Planning
4. Implementation & Adjustment

Why do we need workforce planning? There are lots of reasons.

- Difficulties attracting and retaining staff
- High vacancy level in key roles
- Ongoing skills shortages
- Ageing workforce
- Change in the way services are provided
- Statutory qualifications for various job roles
- National Minimum standards
- Inspection requirement

Workforce planning answers the questions:

1. How many people do we need?
2. What sort of people / skills do we need?
3. How do we attract and retain high quality people?

4. How do we give people the ability to use and develop their skills?

Stage 1 - Audit & Investigation

Workforce structure

Using a recent example John looked at three charts showing the workforce structure by grade/ skill level. (See slide 7) The charts showed that there are relatively few entry level roles in some services and in others the majority of staff are relatively unskilled.

It does not show vacancies or number of posts but actual numbers.

Participants raised the issue of vacancy levels. It was recognised as a major problem with some organisations at 20% vacancy levels. John suggested that vacancies rates can be misleading. In some organisations vacancies are held as a budget mechanism for agency cover. Vacancy rates can be reduced (or increased) by simply varying the establishment levels. The question then is what numbers are required to run services? This is a question of service design and different services will require different staff profiles.

John suggested that social care sector is less geared up than the health sector in planning services. The NHS Blue book provides ratios of staff needed in relation to population and managers are very familiar with this. While these might be crude measures, they provide at least a baseline.

The services provided to children and families require different skills profiles to those provided to older people as the slides show. The question is how are you going to redesign services to suit the skills and staffing numbers that you have, and to ensure that skills are being used appropriately. If you are going to “grow your own” talent, who are you going to train and where are they going to go? The slides show the biggest pool of talent is in adult services and we know the needs are in Childrens services. But are we training staff who currently work with Older People to work with Children and Families?

Examining the workforce profile will enable the planner to strategically plan for re-employment and also highlight possible retention issues. The slides show one organisation, but it can be done for a whole service or sector – and indeed the boundaries of the social care sector are changing and should include health care.

Age profile

(See slide 8) By looking at the age profile of those in the company we can start to see the expected future retirement numbers. The profile is best done by actual age rather than grouping into age ranges.

This can also provide an indication into when recruitment needs will be highest to cover high peaks of retirement. This can be predicted in advance with a degree of certainty. It is not difficult but few organisations do it.

The slide shows an aging workforce and peaks in numbers of leavers. It shows that the organisation concerned will hit a crisis point in a few years time. They have time to plan for that. It is completely predictable that recruitment activity will soar in that year.

On the other side, a younger workforce will need to be added to the existing workforce to be able to maintain services. What do the numbers look like? Very depressing. We are failing to recruit young people into the workforce in any significant numbers. This is why projects like Care Ambassadors are so important. But if, as we have seen in the charts, the number of entry level positions has diminished, how are we going to attract these young people? What are we offering? The barrier may be too high and young people have lots of other options. The challenge will be to develop new entry level roles for young people and to put in place “career escalators” to the jobs where shortages will appear.

Length of service profile

(See slide 9) This graph shows the length of service of the workforce. It shows a peak in numbers recently recruited. This is a risky situation as typically a large proportion of new starters leave within 3 to 4 years of joining an organisation. We looked at the length of service of people who had actually left and it showed that this was true. Given the assumptions about the pattern of leavers, the key task for this organisation was to try to retain the staff it already had.

Why do people leave after such a short period of time? This is the question which requires investigation. It may be due to the failure of an adequate induction process or issues surrounding the organisational working environment. If so, a questionnaire at the end of the induction period may help to provide information.

Can you predict who will leave? A recent study showed that there was an exceptionally high correlation between staff saying they were going to leave, and them actually leaving. This might sound like stating the obvious – what's so earth shattering about that? But then you think about how many organisations actually ask their staff about their intentions – not many. You don't do this in a direct way, or you might end up in a tribunal. But you can have staff surveys to find out what staff think.

There is a contradiction, in that after 3 – 4 years productivity seems to be at an all time high as people develop experience and expertise. But this also seems to be a peak time for leavers which suggests that people want to develop and not to reach a plateau.

Those that do stay past the four year mark tend to stay for much longer and the attrition rate slows down the longer people stay. Clearly this chart shows the need to investigate staff attitudes and leaving intentions within the first four to five years in order to assist retention.

Local labour market

(See slide 10) Planners will need to look at the local labour market in the area. This includes numbers currently unemployed which represents the potential for further growth in employment. But you also need to consider those who are “economically active” but not working, ie looking for work. For example; students, retirees, unemployed, single mothers not claiming benefit.

Consider how a company could target this untapped labour resource. Economically inactive people also could be a potential resource eg for volunteering. By not just focusing on the active part of the employment market you open up the possibility of being able to fill roles.

Flexibility is crucial to try to incorporate those sources in the local labour market, through differing working hours and tailoring specific roles to the needs of different sections of the community.

A planner also will have to look carefully at the local competition. For social care, this includes retail, for example, who are able to offer competitive salaries in the local area. The employment process is also a lot simpler than that of the social care sector (eg CRB checks).

Forecasting

(See slide 12) Forecasting should take into account numbers, as well as considering the more qualitative aspects of the workforce such as the quality of relationships, culture etc. and the changing roles and skills of the workforce.

The changing age profile for example, may require different people management approaches as a younger workforce may have different values and a different orientation to work (they may not see work as being as central to their lives). The cultural mix may change - we are already seeing large numbers of migrant workers and employers are saying they wish to recruit more.

Forecasting is a difficult process and the accuracy depends on the quality of information you already have. Rather than try to cover every job, the planner will need to identify the critical roles – those that make the difference between success and failure. These roles are not always the visible, higher level jobs. British Airways found this out to their cost when they outsourced their catering services to Gate Gourmet.

When forecasting questions such as what roles are important to the business, the skills mix involved; how many qualified or unqualified are needed and in what numbers will need to be answered. Are numbers set to increase or decrease or stay the same? Why is this? These are not easy questions. But in spite of the many changes over the years, the work done on the ground has not changed very substantially. So you might not be far wrong if you predict what will happen if things stay much the same.

Leavers

(See slides 12-16) Leavers and leaver behaviour is the most important area for the planner to investigate. The impact is potentially very significant. Most companies monitor and analyse absence very closely. How many put as much effort into monitoring and analysing leavers?

The cost of replacing a leaver is very high but very few companies even assess how much it costs – unlike absenteeism. The pattern of sick leave hasn't actually changed over the last 15 years but in a much more diverse and short term employment market, leavers are on the increase and the impact is significant. A planners focus therefore needs to be on retention.

For example, a Housing organisation demonstrated the potential impact. A variety of reward and retention initiatives resulted in the turnover rate falling from 24 per cent to 17 per cent. This saved £250,000 a year. The organisation's senior management now receives a quarterly report covering turnover and a range of HR indicators related to this.

The reasons for leaving can be many; pay, training and development, career change, promotion, downshifting, relocation, personal, maternity, caring, ill-health, retirement.

The loss of key people can lead to a dislocation in the service and loss of parts of the organisational memory whilst also affecting motivation. Some well functioning teams can fall apart simply through losing good staff and coping with extra workload caused by high vacancy levels.

The things that trigger decisions to leave need to be taken into consideration by the planner when preparing a retention strategy. It is too late when people have already decided to leave. Triggers can include pay but the quality of relationships with the team and their manager are just as important.

The key here is to look at why employees leave, and what measures and systems can be put in place to convince more people to stay.

Starters

(See slide 17) Organisations will have difficulties in replacing some staff, due to skill shortages. Issues such as the time lag between someone leaving and starting can cause other team members to have to carry the burden. Success rates in recruitment and the time taken to replace staff both need to be monitored and this will help forecasting.

Vacancy rates will give an indication of success in filling posts but these stats can be misleading as previously discussed.

Factors such as a poor induction process and poor appointments can lead to early leavers. A "Survival index" will monitor how long new starters stay in the organisation.

Shape of future services

The planner needs to take into consideration the future picture and in social care it is clear that you need to look beyond present organisational boundaries (which are changing significantly) and consider the sector as an integrated system. A view needs to be taken about the expansion or contraction of the service and this will be affected by the local demographic changes.

In social care an ageing population means that the demand for older peoples' services will increase significantly. This should be the focus of debate and planning.

The effects of government policy will need to be taken into the planners overall consideration as this gives a steer on what services will look like in the future and what skills will be needed. For example, we are seeing a professionalisation of the workforce – from a workforce which was predominantly “manual staff” (who saw their role in these terms) to one where “caring” and more complex interpersonal skills are needed. This indicates a need for more training and development and also brings into question pay issues as there will continue to be pressure on the grade structure.

Group comments:

Some felt that it would be difficult to train staff in advance especially with the shifting market needs. Trainee roles need to be developed.

The group also mentioned the barriers to employment in social care such as the regulation surrounding NVQ and CRB checks rather than simply applying for a job in retail and starting pretty much straight away. Better pay in the retail industry means that the workforce is depleted for social care.

The bigger picture has to be taken into consideration but we need to unpack the situation specific to each regional and make it work on that basis.

The growth in retirees and the growth in direct payments will mean that old systems will no longer have relevance.

Children's and Education departments will be using the same markets to acquire staff, it is suggested that they share this information. Planning will hopefully highlight what could be handed over to the independent sector.

Modelling

By monitoring outflows (turnover) and inflows (recruitment) a model of the future workforce can be created. This will reveal any major gaps in the workforce and will enable patterns to be identified and extrapolated. The planner will need to consider the movement of roles internally and how each effects the gap creation. They will also need

to build in scenarios of better recruitment or possible down falls in the recruitment process.

Planning

Strategic questions

(See slide 21) As a company you need to consider which routes are you going to take, to address the gaps (or sometimes the surpluses) in different areas. There are choices about what you can do, eg are you going to grow your own talent from those you already have? Or will you recruit externally? Recruitment issues will need to be looked at, especially in relation to attracting those whom have moved into other sectors and balance this with a retention strategy, and aligning your policies, procedures and pay systems with this. Some organisations already have such strategies in place – workforce planning will enable you to test and validate those strategies in practice.

Actions

(See slide 22) Ideas such as fast tracking, appealing to migrant communities, employee surveys and the use of agencies to manage talent pools can all be considered. A staff survey would highlight any current issues the workforce and demonstrate that you are listening. It could increase retention too. There are a large number of initiatives to choose from, but the key is to be able to decide what your priorities are, and what you are NOT going to do.

Implementation and Adjustment

Measure and value

As a planner you must develop targets and evaluate progress regularly. Use the model to identify gaps and strategically plan to fill them. Measure the effects of your initiatives and provide training and support in those areas of need. The process is similar to management accounting, where actual costs are measured against budgets.

Workforce planning is a discipline in itself which staff will need to get used to and ultimately it will be embedded as a regular part of the planning process. It needs to be seen as part of the planning process and not an activity isolated from the normal business planning. If planning is still new to the organisation, then it needs time to get it right. You need to give space for learning on all levels especially within the structure of evaluation itself and be specific to the business needs.

Your workforce plans - Discussion

What are your needs, why do people leave, can you predict and how will you work with partners to retain staff?

Comments from the groups:

The regional approach has an inherent problem of competition which is extremely unhelpful in the long term. Organisations are reluctant to collaborate if they do not see an immediate benefit to themselves.

We need to think globally in order to retain staff and as a large scale operation we need to attract and train from scratch. Good housekeeping needs to be shared by all those using shared systems and in the industry, standards etc. A workforce strategy needs to be devised and people need to be concrete about what they want and what they have to do to train and recruit. We need to move from a reactive mode to a planning one.

We also need to ensure that we are engaging service users in the process for example including them in the planning group. We also have to break common place practice and go the extra mile to provide a better functioning service. We need to look at the how we got to where we are and track back the journey. We also need to give people the tools to fulfill, challenge the status quo and find what is best.

Providers at present have no say in what happens as the commissioners do, the providers though have to react to needs and provide services that fit but cannot record unmet need and hence cannot highlight gaps and inadequacies.

The idea of flexible working means that you can increase active employment within the sector. You can also offer something to those who are carers themselves.

The issues surrounding monitoring were raised as there are lots of different types of monitoring systems and use of statistics. There are issues of consistency and definitions. We do not have a system which decides on standards such as the accounting profession. Even the definition of full time working is not fixed. However by setting your own definitions when changes do occur on a quarterly basis people start to take ownership of that data.

The difference between strategist and planner is that the workforce planner is like a financial advisor or instructor who identifies issues and the consequences of certain courses of action. It is not someone who develops strategy and implements the process themselves, this is the role of management.