Workforce Planning 101

What Is Workforce Planning?

Workforce planning is having the right number of people with the right skills working in the right jobs at the right time. This definition covers a process that assists agency leadership in making human resource decisions based on an agency's mission, strategic plan, budgetary resources, and desired job knowledge and skills. Workforce planning addresses the personnel requirement of a strategic plan. Workforce planning is a strategy and set of procedures by which the State's future human resource needs are assessed. The primary steps are to:

- analyze the current workforce,
- identify future workforce needs,
- establish the gap between the present and the future,
- and implement solutions so the organization can accomplish its mission, goals, and objectives.

Why Are Workforce and Succession Planning Important?

Workforce and succession planning enable an organization to proactively plan for and address changes in the workforce. The process provides an awareness of workforce composition now and in the future. It also encourages an organization to more effectively and specifically develop existing and newly hired staff. Workforce planning also ensures that recruitment resources are more efficiently and effectively used and helps maintain and improve agency diversity profiles.

What Is Succession Planning?

Succession Planning is an important subset of workforce planning. Its goal is the same, but its focus is specifically on having the right leadership in place at every level of the organization. It involves developing a "talent pool" of employees with the skills, attributes, and experience to fill specific positions and ensure continuity of leadership. Succession planning is future focused. It is a tool to combat the potential loss of institutional knowledge due to employees' retirements, promotions, and general attrition.

Succession planning is not pre-selection. Having a succession plan means that employees have access to the resources needed to develop and be considered for promotion, thereby giving them a competitive edge but not guaranteeing them a promotion. Our "Merit System" ensures that civil service, permanent appointments, and promotions are based on merit and competitive exams.

Workforce & Succession Planning Overview

Context and Trends:

California's 238,000 state employees work in approximately 200 agencies. State agencies range from a few with a single employee to the Department of Corrections and Rehabilitation with 65,865 employees.[1] The diverse missions of state agencies mean that some struggle more than others to attract and retain qualified personnel. It is widely expected that all state agencies will face difficultly when the Baby Boom Generation begins to retire.

Baby Boomers—those born between 1945 and 1955— comprise approximately 47 percent of the state workforce and 70 percent of managers, supervisors, CEA's and exempt personnel.[2] Within the next five years, over 30 percent of state employees will be eligible to retire. That proportion is even higher within specific hiring categories. Without adequate planning, state agencies may be left without adequately prepared replacements to continue meeting the needs of Californians.

California and Other States:

California's *Statewide Workforce Planning Program* was established within the Department of Personnel Administration in 2007 to provide resources and consultation to departments interested in workforce planning. The unit functions as a clearinghouse of information for California state agencies; it conducts presentations, and assists agencies throughout the workforce planning process. Program staff also coordinate the *Workforce Planning Ad Hoc Group*, established in 2008. This group allows participants from various state agencies to share knowledge and experience about workforce planning at quarterly meetings.[3]

Despite its successes, the Statewide Workforce Planning Program is limited in its resources, and perhaps more so by the voluntary nature of workforce planning in California state agencies. In California, there is no requirement that state agencies develop workforce or succession plans. Therefore, the program can only assist those agencies whose directors choose to participate.

Unlike other states, there is no centralized repository of workforce plans or administrative oversight of this function. We do not know how many of the state's nearly 200 agencies have workforce plans, and how many—or which specifically—do not.

Many states require agencies to report specified information to centralized workforce planning programs and/or to prepare workforce plans. Since 2000, the State of Georgia

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[1] Source: Department of Personnel Administration
[2] Source: Department of Personnel Administration
[3] Source: http://www.dpa.ca.gov/personnel-policies/workforce-planning/main.htm

has mandated that its agencies prepare workforce plans and that they submit annual updates by May 31st.[4] The Commonwealth of Virginia has had a similar requirement since 2003.[5] The State of Iowa has implemented several initiatives regarding workforce planning since 2000. Iowa requires all agencies to have workforce and succession plans, and to submit annual updates.[6]

Each year since 1989, the State of New York's Department of Civil Service has produced an annual Workforce Management Report.[7] These reports document the demographics of the state workforce and serve as a valuable tool for each state agency to plan for the changes occurring within its own workforce. The report allows administrators and policymakers to compare workforce statistics across and within agencies, and analyzes trends within critical classifications such as public safety, information technology, and "caring" professions. The report also contains a one page profile of each state agency.

Calm Before the Storm:

In its May 2009 report titled, "A Tidal Wave Postponed: The Economy and Public Sector Retirements," the Center for State & Local Government Excellence illustrates that the economic downturn had the effect of delaying retirement for many public employees. According to this survey, 84% of human resources managers reported employees delaying retirement due to the slumping economy.

California is seeing an increase in retirements *despite* economic forces compelling state personnel to delay retirement. According to data provided by CalPERS, retirements increased by 2.7 percent between 2007 and 2008. Between 2008 and 2009, retirement increased by 17.7 percent.

Based on data already available, it is likely that the increase in retirements between 2009 and 2010 will be far greater. Typically, the highest number of retirements occur in the month of January. From January 2009 to January 2010, retirements increased by 30.9 percent; from February 2009 to February 2010 retirements increased by 22.9 percent.

The economic downturn has temporarily delayed the wave of Baby Boomer retirements, but it is widely expected that retirements will increase dramatically as the economy improves. Many other states have been working with their agencies for several years to prepare for this dramatic change in their workforce. With the largest state workforce in the nation, an impending wave of retirements, and a corresponding increase in demand for related services, state agencies have a brief opportunity to prepare to meet the needs of Californians in the coming years.

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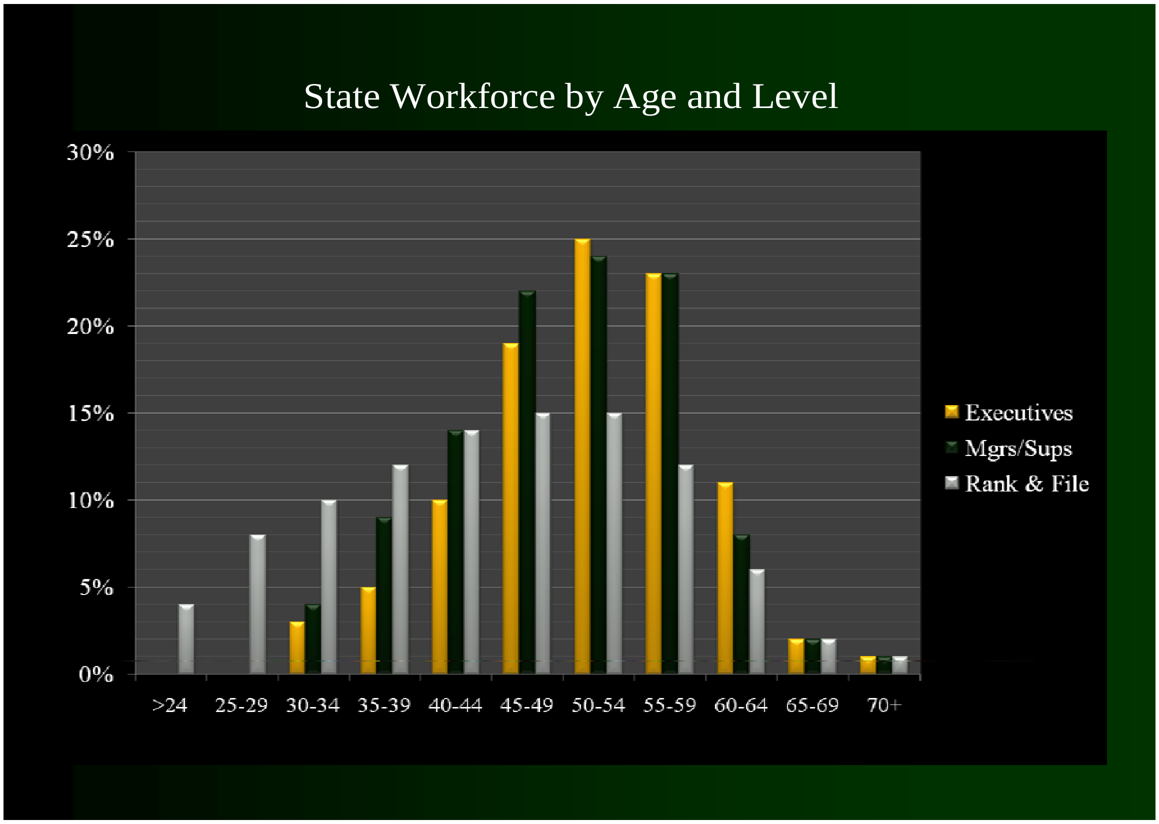
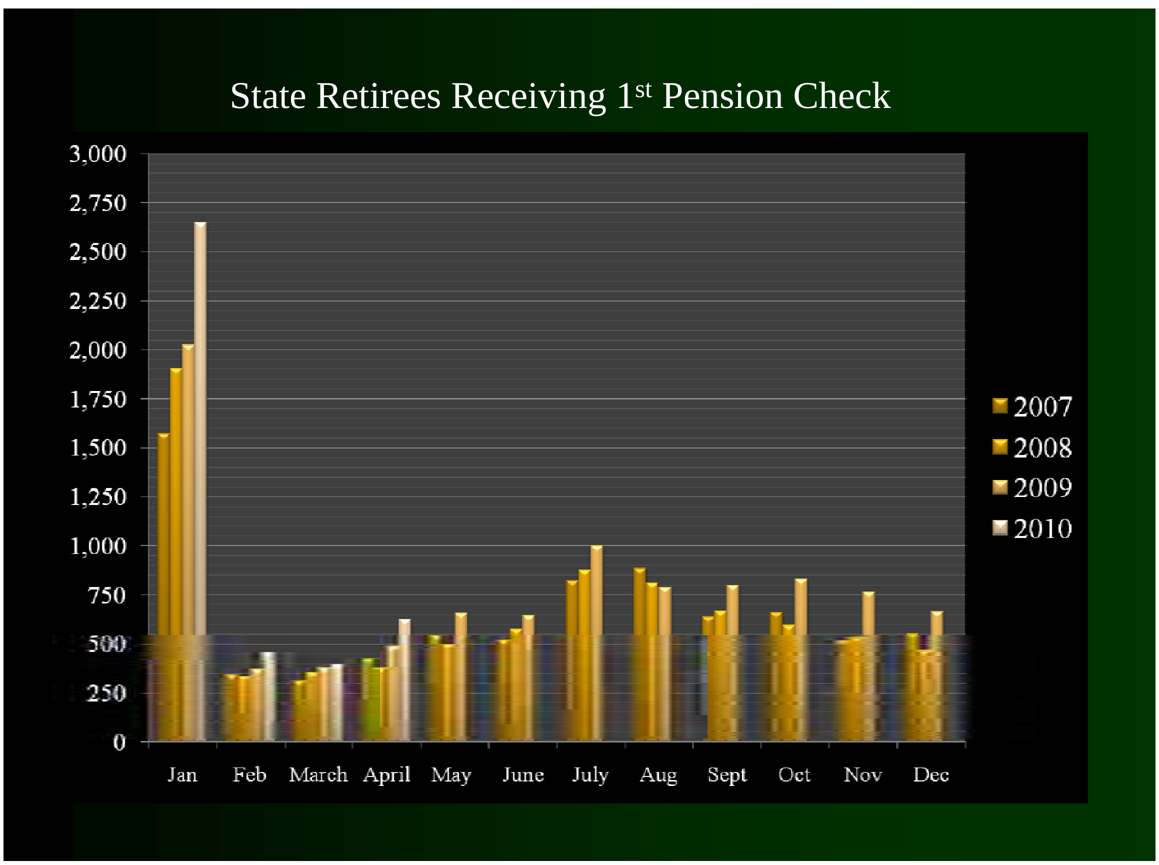
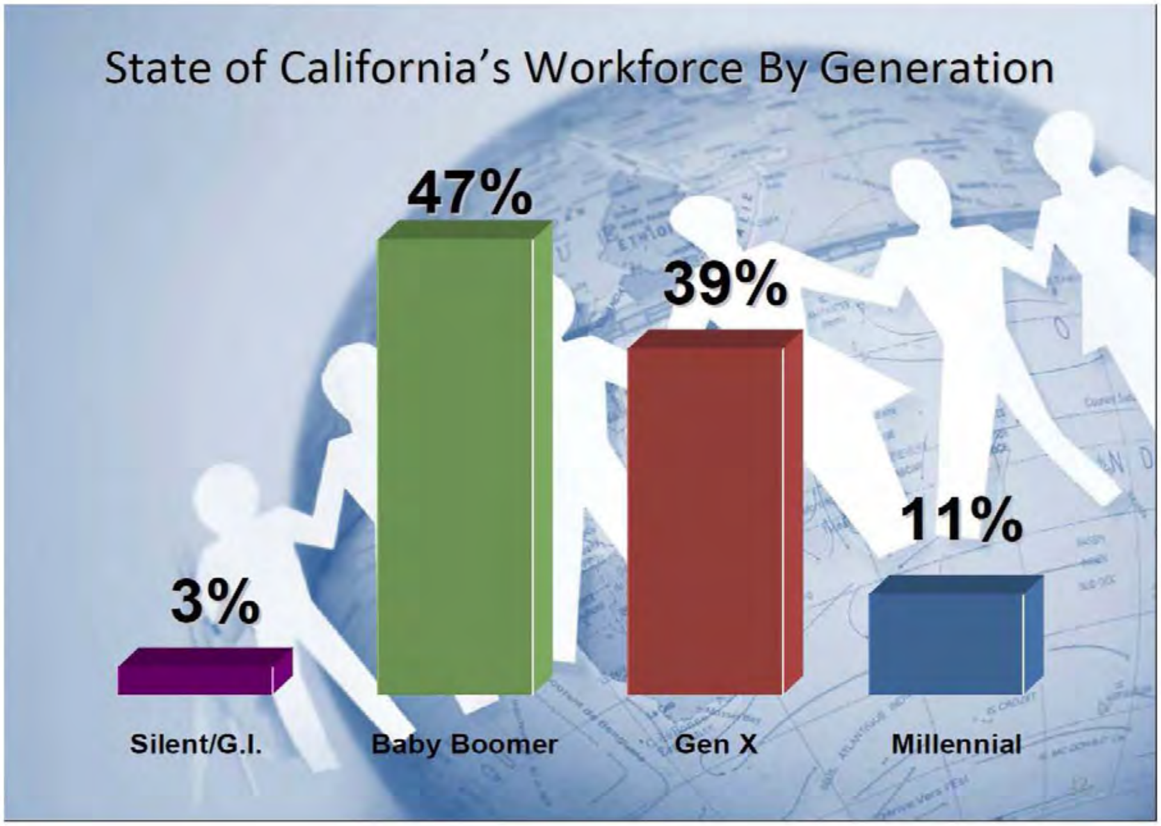
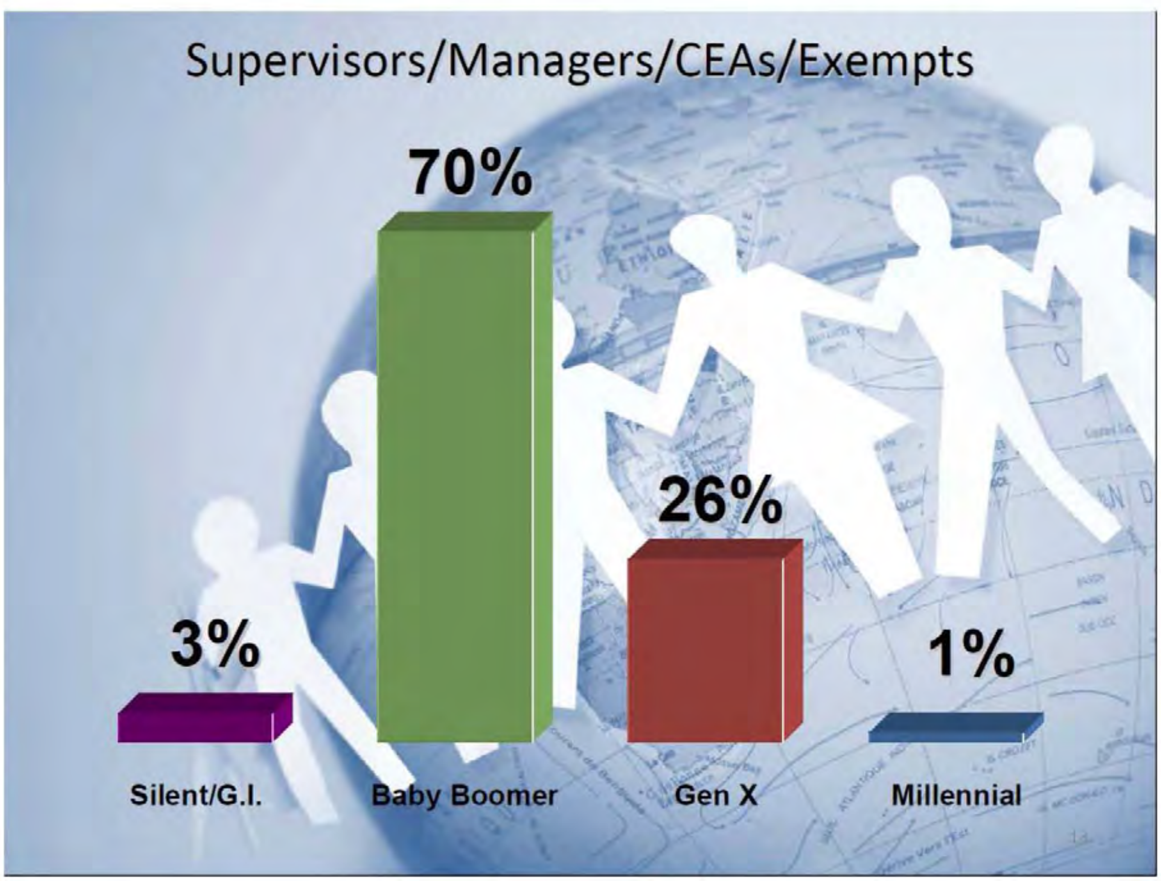
[4] Source: http://www.gms.state.ga.us/agencyservices/wfplanning/wfplaw.asp
[5] http://www.dhrm.state.va.us/hrpolicy/web/pol1_90.html
[6] Source: http://das.iowa.gov/hre/wp_home.html
[7] Source: http://www.cs.state.ny.us/businesssuite/Workforce-Management/Succession-Planning/workforceplans.cfm


State Workforce by Age and Level
30%
25%
20%
15%
10%
5%
0%
>24
25-29
30-34
35-39
40-44
45-49
50-54
55-59
60-64
65-69
70+
Executives
Mgrs/Sups
Rank & File


State Retirees Receiving 1st Pension Check
3,000
2,750
2,500
2,250
2,000
1,750
1,500
1,250
1,000
750
500
250
0
Jan
Feb
March
April
May
June
July
Aug
Sept
Oct
Nov
Dec
2007
2008
2009
2010


State of California's Workforce By Generation
47%
39%
11%
3%
Silent/G.I.
Baby Boomer
Gen X
Millennial


Supervisors/Managers/CEAs/Exempts
70%
26%
3%
1%
Silent/G.I.
Baby Boomer
Gen X
Millennial