

## The Implementation of Workforce and Succession Planning in the Public Sector

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This article provides examples of the importance of workforce and succession planning in the public sector. A discussion of why planning is important and some of the obstacles to its implementation are discussed. For workforce and successful planning to succeed, human resources management professionals must become strategic partners with managers and develop new skills and competencies.

Workforce and succession planning (WFSP) is based on the belief that to be effective and able to adapt to changes quickly, agencies need realistic information on the capabilities and talents of their current staff, in essence their human resources. It has been estimated that by 2006, state governments could lose more than 30 percent of their workforce, resulting in a loss of expertise and experience.<sup>1</sup> Forty-two percent of the 15-7 million individuals working for state and local government in 1999 were between the ages of 45 and 64 years old. Two-fifths of state and local government employees will be eligible to retire in the next 15 years. In Iowa, 33 percent of its 21,000 employees will be able to retire over the next 10 years and 70 percent of its supervisors are over 45 years old.<sup>2</sup>

Impending retirements are not the only reason for public organizations to implement WFSR. WFSP is also important for public agencies facing layoffs and job cuts. The chief executive for Allegheny County, Pa., announced that 500 jobs would be eliminated in 2004 to cut expenses. The job cuts will occur across the board in 80 to 85 percent of the county's departments and row offices.<sup>3</sup> Individuals still employed after the layoffs need to possess the requisite knowledge, skills, abilities and other characteristics (KSAOCs) to keep the county's programs and services operating smoothly.

Military conflicts have also had an impact on the staffing needs of public organizations. There are approximately 170,000 reservists and National Guard members deployed around the world. Many public sector agencies have had to adjust quickly to the loss of personnel.

WFSP refers to the implementation of human resource activities, policies and practices to make the necessary ongoing changes to support or improve the agency's operational and strategic objectives. Agency leaders need to understand how their workplaces will be affected by impending changes and prepare for the changes accordingly. Agency objectives should be formulated after relevant data on the quantity and potential of available human resources have been reviewed. Are there human resources available for short- and long-term objectives? To be competitive, organizations must be able to anticipate, influence and manage the forces that impact their ability to remain effective. In the service sector, this means they must be able to manage their human resource capabilities. All too often agencies have relied on short-term service requirements to direct their HRM practices. Little thought is often given to long-term implications. By invoking WFSP, agencies are better able to match their human resources requirements with the demands of the external environment and the needs of the organization. The human resources focus is not just an individual employee issue; it also focuses on integrating human resources into the organization's strategy. It becomes part of the visionary process. Strategic planning, budgeting and human resource planning are linked together.

## Workforce and Succession Planning

In "The case for Transforming Public-sector Human Resources Management," the National Academy of Public Administration identified five steps that were imperative in aligning human resources management to an agency's mission.

**Step 1: Include HR in Strategic Plans:** HRM strategies needed to address agency goals must be discussed; and the resources needed to implement those strategies must be identified.

**Step 2: Define Human Resource Requirements:** Workforce planning requires line managers and HRM experts working as partners to identify gaps that exist in the current workforce when compared to future requirements. A workforce planning system must be in place that enables the agency to understand the competency gaps to be addressed so the agency can achieve its strategic goals. The assessment process will typically include documenting workforce demographics; calculating the current and projected attrition rates for key occupations; assessing the efficacy of primary sources of labor supply in both qualitative and quantitative terms; developing strategies for building the human capital needed to successfully achieve future mission goals; and evaluating progress, making mid-course corrections, and fixing accountability for achieving the desired outcomes.

**Step 3: Develop Action Plan for Implementing Human Resource Strategies:** An action plan should establish accountability for implementing the plan and identify the resources needed to complete the plan. The plan should also provide solutions to close any competency gaps that have been identified. To what extent is the agency able to attract and retain the expertise it needs to accomplish its strategic goals? Does the agency have the right people to meet mission and strategic goals?

**Step 4: Evaluate Progress:** It is important to determine progress, make mid-course corrections, and assign accountability for achieving the desired outcomes. An evaluation provides a regular flow of information about how well HRM strategies are working. Information should be provided on a regular basis so informed decisions can be made about an agency's staff. Information about recruitment, retention, morale and training and development should be analyzed.

**Step 5: Manage the Change Process:** Top management and human resource professionals work together to develop a successful change process. Top management identifies the desired change, the reason for change, the expected benefits of the change, and the impact the change will have on employees. The leadership of the agency provides the necessary resources and allows time for the changes to occur, but holds staff accountable for performance.

## Human Resources Planning

In an effort to be proactive, the Washington State Department of Personnel developed the "State of Washington Workforce Planning Guide: Right People, Right Jobs, Right Time."<sup>5</sup> Washington State, like many states, is facing the retirement of a significant portion of its workforce. As of 2002, more than 50 percent of state employees were age 45 or older. Faced with impending

retirements and the loss in workforce skills and knowledge, the workforce planning guide was developed to assist agencies in preparing workforce plans to ensure necessary staff levels and competencies exist to carry out agency missions. Some benefits of workplace planning articulated in the guide include: 1) Allows more effective utilization of employees through accurate, efficient alignment of the workforce with strategic objectives; 2) Helps ensure that replacements are available to fill important vacancies - especially critical as agencies face increased turnover, labor market shortages and limited compensation levels; 3) Provides realistic staffing projections for budget purposes; 4) Ensures that recruitment resources are more efficiently and effectively used; 5) Provides better-focused investment in training and retraining, development, career counseling, and productivity enhancement; and 6) Helps maintain or improve diversity profile.

Human resource planning is a critical component of strategic planning and WFSP. It is the process of analyzing and identifying the need for and availability of human resources to meet the organization's objectives. Forecasting is used to assess past trends, evaluate the present situation and project future events. Forecasting and planning complement each other because forecasts identify expectations while plans establish concrete goals and objectives. Forecasting has become increasingly important as a large segment of the public workforce is inching toward retirement.

Agencies must consider how to allocate people to jobs over long periods. Attempts must be made to anticipate expansions or reductions in programs or other changes that may affect the organization. Based on these analyses, plans can be made for the recruitment and selection of new employees, the shifting of employees to different programs or units, or the retraining of incumbent employees.

A demand forecast anticipates the workforce that will be needed to accomplish future functional requirements and carry out the mission of the organization. In this step a visionary staffing assessment against future functional requirements is conducted. The result is a forecast of the type of competencies, numbers and locations of employees needed in the future. An important part of the demand forecast is examining not only what work the agency will do in the future, but how that work will be performed. Some things to consider include:

- \* How will jobs and workload change as a result of technological advancements, economic, social and political conditions?
- \* What are the consequences or results of these changes?
- \* What will be the reporting relationships?
- \* How will divisions, work units, and jobs be designed?
- \* How will work flow into each part of the organization? What will be done with it?

Once these questions have been answered, the next step is to identify the competencies employees will need to carry out that work. The set of competencies provides management and staff with a common understanding of the skills and behaviors that are important to the agency.

Competencies play a key role in decisions on recruiting, employee development, personal development and performance management.

A few years ago, confronted with a shortage of workers with information technology (IT) skills, the State of Nebraska developed a six-month, full-time training program for state employees. The program is a partnership with Southeast Community College and is designed to train employees in PC, server, network and data communication skills. During training, the employees remain classified at their current levels and earn their regular pay and benefits. At the conclusion of the training program, the employees are moved into information technology positions and their position classification and pay are adjusted to reflect their new responsibilities.<sup>6</sup>

Other states responded differently to the loss of IT workers. The Texas State legislature passed a bill that allows state workers who have retired to return to the public sector workforce and receive a full paycheck while they receive their retirement annuity. Previously, returning workers could only work nine months of the year and had their salary capped at \$60,000. In Iowa, the need for workers with special skills forced the state to outsource IT services. Texas and Iowa created new compensation and classification systems that were more consistent with the private sector. As a result of the 2001 recession, the collapse of dot.com organizations, and layoffs in the financial services industry, public and nonprofit organizations are in a better position to recruit and retain IT professionals and individuals with specialized skills who previously sought employment in the private, for-profit sector. Despite a greater availability of IT, accounting and finance professionals, public agencies still need to anticipate vacancies, and recruit for newly created positions.<sup>7</sup>

Forecasting human resource requirements involves determining the number and types of employees needed by skill level. First, agencies need to audit the skills of incumbent employees and determine their capabilities and weaknesses. Positions must also be audited. In most organizations there are likely to be jobs that are vulnerable, that technology or reengineering are ready to replace. Job analyses must be conducted to provide information on existing jobs. The basic requirements of a job should be defined and converted to job specifications that specify the minimum knowledge, skills, abilities and other characteristics necessary for effective performance. The skill requirements of positions do change so any changes that occur must be monitored and reflected in the job specifications. It is not enough to monitor changes in positions.

Organizations must also keep abreast of the skills that their employees possess. Human resource planning uses data inventories to integrate the planning and utilization functions of WFSP. Data inventories compile summary information, such as the characteristics of employees, the distribution of employees by position, employees' performance, and career objectives. Specific data that are typically catalogued are age, education, career path, current work skills, work experience, aspirations, performance evaluations, years with the organization, and jobs for which one is qualified. Expected vacancies due to retirement, promotion, transfer, sick leave, relocation, or termination are also tracked. Using a computerized human resource information system (HRIS) to compile these data makes the retrieval of information readily available for forecasting work force needs.

When forecasting the availability of human resources, agencies need to consider both the internal and external supply of qualified candidates. The internal supply of candidates is influenced by training and development, and by transfer, promotion, and retirement policies. Assessing incumbent staff competencies is critical. Agencies should undertake an assessment of employees' competency levels. This will provide information for determining the number of those available and capable of fulfilling future functional requirements. It will provide salient information as to what recruitment, training and other strategies need to be deployed to address workforce gaps and surpluses. Washington State recommends using a checklist of the future desired competencies identified through a demand forecast and assigning ratings of advanced, intermediate, beginning or none. Once this information is obtained, the agency can develop strategies for training and succession planning.

A succession analysis should be prepared that forecasts the supply of people for certain positions. Succession plans should be used to identify potential personnel changes, to select back-up candidates, and to keep track of attrition. The external supply of candidates is also influenced by a variety of factors, including developments in technology, the actions of competing employers, geographic location and government regulations.

WFSP attempts to match the available supply of labor with the forecasted demand in light of the strategic plan of the organization. A gap analysis is the process of comparing the workforce demand forecast with the workforce supply projection. The expected result is the identification of gaps and surpluses in staffing levels and competencies needed to carry out future functional requirements of the organization. A gap occurs when the projected supply is less than the forecasted demand. It indicates a future shortage of needed employees. Strategies such as recruitment, training and succession planning will need to be developed and implemented. A surplus is when the projected supply is greater than forecasted demand. This indicates future excess in some categories of employees that may also require action to be taken. The surplus data may represent occupations or skill sets that will no longer be needed in the future or at least not to the same degree. Retraining, transfers or separation incentives may need to be implemented to address surplus situations.

WFSP involves the development of strategies to address future gaps and surpluses. There are a variety of factors that will influence which strategy or which combination of strategies should be used. Washington State has identified some of these factors:

**Time.** Is there enough time to develop staff internally for anticipated vacancies or new competency needs, or is special, fast-paced recruitment the best approach?

**Resources.** The availability of adequate resources will likely influence which strategies are used and to what degree, as well as priorities and timing.

**Internal depth.** Does existing staff demonstrate the potential or interest to develop new competencies and assume new or modified positions, or is external recruitment needed?

**"In-demand" competencies.** How high the competition is for the needed future competencies may influence whether recruitment versus internal development and succession is the most effective strategy, especially when compensation levels are limited.

Workplace and workforce dynamics. Whether particular productivity and retention strategies need to be deployed will be influenced by workplace climate (e.g., employee satisfaction levels), workforce age, diversity, personal needs, etc.

Job classifications. Do current job classifications and position descriptions reflect the future functional requirements and competencies needed? Does the structure of the classification series have enough flexibility to recognize competency growth and employee succession in a timely fashion? Does it allow compensation flexibility?

If necessary skills do not exist in the present workforce, employees will need to be trained in the new skills or external recruitment must be used to bring those skills to the organization. The employer must identify where employees with those skills are likely to be found and recruitment strategies must be developed.

The State of Pennsylvania studied the age patterns among its employees to see what skills the state will lose in the next five to 10 years and began targeting recruitment toward acquiring those skills. The state has gone on direct recruiting campaigns to hire employees with accounting, budgeting, personnel administration, and computer technology skills. Those candidates are then placed in special state-run classes designed to develop their expertise.

#### Implementing Workforce and Succession Planning

To implement a WFSP system, it is important for human resource management departments to expand their scope of activities beyond the traditional HRM tasks and functions, and enter partnerships with managers and employees. Working together provides managers and employees with a better understanding of HRM issues. Likewise, HRM staff becomes more informed about the needs of the employees and departments.

To facilitate the partnership, HRM departments should establish a human resource planning taskforce composed of managers and/or staff from a variety of departments, and staff from the HRM department who are responsible for identifying the trends and challenges that will impact the agency. The task force should involve other employees seeking their input and observations. This can be done through the use of surveys, focus groups, agency publications or a needs assessment instrument. After the taskforce receives information, it should prioritize the most critical issues. HRM staff should be directed to develop strategies, solutions and alternatives to address the issues.

Questions that should be investigated and planned for include:

- \* Is the top administration committed to quality and excellence?
- \* Are changes necessary?
- \* How can we meet employees' perceptions and concerns?
- \* Which employees will be affected?

- \* What barriers might there be to successful implementation of WFSP?
- \* Once program cost estimates are developed, will dollars be provided for training and development?
- \* Who will be responsible for the implementation of WFSP?
- \* Who will evaluate and adjust the planning process?

Once these questions have been answered, authority and resources must be assigned to the person(s) responsible for the planning and implementation of WFSP. Failing to put human and financial resources into WFSP will relegate it to just another fad. Organizational leaders must demonstrate their commitment to WFSP and champion it.

### Training

Jobs today are requiring employees to assume more challenging responsibilities. For example, the downsizing of managerial staff in many organizations has required that first-level supervisors possess conceptual and communication skills in addition to their technical and applied skills. Higher-level managers must develop skills that will enable them to scan the external environment and develop organizational strategies. Training and development are used by organizations to improve the skills of employees and enhance their capacity to cope with the constantly changing demands of the work environment. Agencies that wish to be viable must develop strategies to maximize their human resources.

Change has become an inevitable part of organizational life and to remain viable, organizations must learn how to manage change. Public agencies need to help employees deal with change. Training and development activities are critical if agencies are going to survive.

Technology is being used to communicate with many people across large geographic areas, eliminating the need to be nearby for personal interactions. Demographics also are changing; for example, senior citizens are now a significant percentage of the population, and there has been an increase in the number of racial and ethnic minorities employed in public and nonprofit agencies. Jobs have become less specialized, forcing employees to work in teams to deliver services; and productivity needs to be improved despite declining personnel and fiscal resources. Changes in goals, the purchase of new equipment, the enactment of new laws or regulations, fluctuations in the economy, increased pressures from stakeholders, and the actions of competitors are some of the other variables that influence change. As the demands placed on public organizations keep changing, organizations must implement training and development activities to ensure that their staffs have the requisite KSAOCs to confront these new challenges. Training can be targeted to help employees learn new job-specific skills, improve their performance, or change their attitudes. Developing a comprehensive long-range training program requires WFSP and the recognition that in today's knowledge economy, employees are the most valuable resource. If knowledge is the primary economic enabler, workforce skills are the real capital.<sup>8</sup> Agencies wishing to be viable must develop strategies to maximize their human

capabilities. Training and development must be integrated into the core human resources management functions.

## Career Development

Training has been defined as "the acquisition of knowledge and skills for present tasks, which help individuals contribute to the organization in their current positions. ... To be successful, training must result in a change in behavior, such as the use of new knowledge and skills on the job."<sup>9</sup> Career development, however, provides the employee with knowledge and skills that are intended to be used in the future. The purpose of career development is to prepare employees to meet future agency needs, thereby ensuring the organization's survival.<sup>10</sup>

Career development is used to improve the skill levels of and provide long-term opportunities for the organization's present workforce. Career development programs provide incumbents with advancement opportunities within the organization so that they will not have to look elsewhere. Taking the time and spending resources to develop employees signals to them that they are valued by the agency. As a result, they become motivated and assume responsibility for developing their career paths.<sup>11</sup>

The focus of career development plans is where the agency wants to position itself for the future and where in the agency incumbents can find future job opportunities. Employees and supervisors should produce a development plan that focuses on employee growth and development. The plan should have measurable development objectives and an action plan. For example, supervisors should review their employees' skills with the job descriptions of higher-level positions within the same job family or of positions within the organization to which the employee might be able to cross over. By comparing employees' skills with the skill requirements of other positions, the employees and supervisors can determine what experience and training might still be needed for advancement or lateral movement. Supervisors should direct employees to relevant training opportunities and, when possible, delegate additional tasks and responsibilities to employees so that they may develop new competencies.

A number of career development programs can be found in the public and non-profit sectors. Some of them focus on moving employees from clerical or paraprofessional positions into higher-paying administrative jobs. Others focus on developing supervisory and management skills. An example of one such program follows.

Local 1199 of the Service Employees International Union (SEIU), New York's Health and Human Service Union, entered into a partnership with the City University of New York establishing a joint training program so that union members can take free courses to obtain nursing degrees or to upgrade their skills. The courses will range from nursing, pre-college skills, continuing education, and laboratory and operating room technicians. The program is aimed at reducing the city's nursing shortage and providing additional skills to Hispanic workers. The programs will be offered in the community where the health care workers live. All New Yorkers can participate in the program; however, only union members are able to attend for free. To accommodate the work schedules of the students, classes are offered from 8:00 a.m. to 9:00 p.m. Union members receive free child-care as well as free after-school programs for their older children.<sup>12</sup>

## Managerial and Executive Development

Problem-solving skills, initiative, the ability to function as a team player, interpersonal skills, and the creativity to seize opportunities are some of the critical skills managers and executives of public and nonprofit agencies need to guide their agencies. Technical experience and competence is no longer enough; public and nonprofit organizations need leaders with the vision to direct and guide their agencies as city, state, and federal funding are cut.

In 2000, the Federal Highway Administration" (FHWA) realized that within 10 years 45 percent of its workforce would be eligible to retire. To position the agency to achieve the goals established in its strategic plan, the executive director established a Workforce Planning and Professional Development Task Force. The task force was charged with developing a framework to assure that FHWA has trained dedicated and motivated employees who can deliver the agency vision, mission and goals into the future. An analysis of the agency's future workforce needs revealed that there were talent, skill and competency gaps. To close the gaps, the task force realized that the agency needed to have programs, processes and employees who could adapt to continually changing needs as technology and program changes occur. Major changes were needed in the agency's culture, its professional development and business practices. To promote the necessary changes the task force developed action plans for recruiting, hiring and retention; internal resource management; quality of life; workforce and succession planning; and professional development.

In regard to professional development, the task force recommended that the opportunities available to employees for their development should be expanded and the agency should create an environment that encourages continuous learning. Specific action plans included the following:

- 1) Integrate performance plan and workforce plan with training and development plans;
- 2) Require individual development plans for all employees;
- 3) Recognize employees who have become licensed, certified or credentialed;
- 4) Where appropriate, candidates for advancement in technical career tracks who have professional registration and/or certification will be given higher consideration than those without;
- 5) Use rotational and developmental assignments as professional developmental tools;
- 6) Support and fund the formation and use of communities of practice;
- 7) Evaluate professional development activities conducted by communities of practice for possible broader use;
- 8) Encourage the movement of personnel between federal land and federal aid offices to enhance professional development; Expand the development of leadership, business and professional

skills to all levels of the organization including non-supervisory positions; Expand and provide earlier leadership opportunities to shape future executives;

9) Encourage a community of practice for secretarial/administrative assistant positions, and identify champions to assure its effective operation;

10) Use vacancies in key positions as opportunities for rotational or developmental assignments;

11) Continue to invest at least 3 percent of salaries and benefits in training;

12) Increase the use of FHWA employees as instructors for NHI and other training;

13) Expand the capacity to deliver training developed specifically for FHWA employees;

14) Take greater advantage of local training opportunities;

15) Expand the academic study program to include non-technical programs (e.g., leadership, generalists, administrative). Pursue legislation to allow the agency to fund advanced degrees for employees.

The training and development programs in Hennepin County, Minn., and Broward County, Fla., were identified by the IPMA-HR Benchmarking Committee for their "best practices." Both counties align training and development activities with organizational strategy. The impact of training and development is evaluated. Responsibility for training and development throughout the organizations is shared with managers, supervisors, employees and the departments of human resources management.<sup>14</sup>

### Problems and Implications of Workforce and Succession Planning

If WFSP makes such intuitive sense, then why aren't more organizations engaging in it? Researchers have suggested that organizational leaders claim they want a greater integration of the human resource management function with organizational strategy but often do not understand what this entails. They are reluctant to give human resources management professionals the flexibility to initiate new programs or to suggest new organizational structures. This is especially true when organizational change issues confront imbedded standard operating procedures and organizational culture.

Another reason why WFSP is neglected is because very often human resource management professionals lack the capabilities and skills necessary to move human resource management to a more proactive role. HRM professionals may need to be trained in the skills that are necessary to align the organization's strategy with its core competencies. HRM professionals may need training in organizational redesign, job and service redesign, and performance measurement. Kansas is piloting a Human Resources Training Academy (HRTA) for state human resource managers. The program is designed to enhance their effectiveness as strategic planners and organizational leaders. Senior human resource managers from a variety of state agencies are participating in the project and are joined by subject matter experts from the public and private sectors. The intent of the program is to challenge the participants to "go beyond the daily nuts

and bolts of personnel management and to recognize the pivotal role they play in carrying out their agency's mission."15 However, not all public organizations are willing to invest the time and dollars in training nor are they willing to support the efforts of their HRM professionals in the change process.

Organizational change also requires higher levels of coordination across functions and departments, and employees and management must be committed to continuous improvement. There must be greater interdepartmental cooperation. Trust and open communication across the organization will have to be developed. Organizations must encourage creativity and recognize such creativity through their reward systems. Change requires fairness, openness and empowerment, ideals that may be contrary to an organization's culture and may require several incremental steps.

Some employees may be reluctant to change. Over the years they may have required a certain degree of proficiency in the performance of their jobs. Changing their routines and standards of performance, being required to learn new skills, or working with unfamiliar persons may be unsettling. Employees unwilling or unable to make the transition may choose to resign or in some cases may attempt to sabotage new initiatives.

There are also financial costs associated with WFSP. Some public organizations may be reluctant to spend additional resources on employees fearing a backlash from elected officials and citizens.

Sometimes the political realities of public organizations undermine change. Very often elected officials and appointed officials have a short-term perspective about how they want agencies to operate. Changes in policies and procedures take time to implement and are often not immediately apparent. They may want a quick fix and not be patient enough for systemic changes to occur. Elected officials may also be predisposed to favor short-term budget considerations over long-term planning. In the public sector, support for top administrators may change quickly and often capriciously. To transform an organization requires chief executive and top administrative support, managerial accountability, fundamental changes in HRM practices, employee involvement, and changes in corporate culture.

### The Changing Role of Human Resources Management

Human resources management is changing. Organizations are facing some daunting challenges. For HRM departments to play a strategic role they must focus on the long-term implications of HRM issues. For example, how will changing workforce demographics and workforce shortages affect the organization and what strategies will be used to address them? The downsizing and reorganizations of public and nonprofit agencies, along with a strong focus on results is forcing agencies to validate their business processes, reassess the role of the HR function and evaluate the adequacy of the work performed by HR employees.

To be strategic partners, HRM departments must possess high levels of professional and business knowledge. HRM must establish links to enhancing organizational performance and be able to demonstrate on a continuing basis how HRM activities contribute to the success and effectiveness of the organization. Unfortunately, many HRM departments have spent their time ensuring compliance with rules and regulations, so they lack the skills and competencies to act as

a strategic partner. Since the late 1990s there have been a number of books and articles addressing the need for new HRM skills and competencies. Some of these books include "Tomorrow's HR Management" (1997), edited by Dave Ulrich, Michael R. Losey and Gerry Lake; "Human Resource Champions" (1997), by Dave Ulrich; "The ROI of Human Capital" (2000), by Jac Fitz-enz; and "The HR Scorecard" (2001), by Brian E. Becker, Mark A. Huselid and Dave Ulrich.<sup>16</sup>

The consistent themes in all of the books and articles are:

- \* HRM practices must create value by increasing the intellectual capital within the agency;
- \* HRM professionals must focus more on the outcomes of the HRM systems and policies;
- \* The impact of HRM practices on business results can and must be measured; and
- \* HRM professionals must learn how to translate their work into financial performance.

What tends to exist however, is: There is a gap between the competencies that HRM professionals are currently using on the job and those that are viewed as important to the HR function. Most organizations do not have a formal plan in place to close the competency gaps that have been identified, and closing the gaps and developing new expertise and experience will take commitment, planning, money and time.

In his book, "Human Resource Champions,"<sup>17</sup> Dave Ulrich asks "How can HR create value and deliver results?" He states that managers and HR professionals should constantly seek the capabilities necessary for success. They should routinely ask themselves and each other the following questions:

What capabilities currently exist within the firm?

- \* What capabilities will be required for the future success of the firm?
- \* How can we align capabilities with business strategies?
- \* How can we design HR practices to create the needed capabilities?
- \* How can we measure the accomplishment of the needed capabilities?

To answer these questions, HRM professionals need to move beyond their administrative roles of providing clerical and administrative support, pension administration, benefits administration and reference checks. Instead, a new focus needs to address how quickly the organization can adapt to change. Does it have the human capital/knowledge management capabilities of learning, responsiveness, and agility? What employee competencies exist in the workforce?

Conclusion

The future viability of an organization and its human resource capabilities are interrelated and must be considered together. HRM must be vertically integrated with strategic planning and horizontally integrated with other human resource functions such as training and development, compensation and benefits, recruitment and selection, labor relations, and the evaluation of the human resource planning process, to allow for adjustments to be made to confront rapidly changing environmental conditions. WFSP guides management in identifying and implementing the appropriate human resource learning activities for resolving organizational problems or adapting to meet new opportunities.

WFSP determines the human resources needs of the agency and ensures that qualified personnel are recruited and developed to meet organizational needs. Should there be a shift in demand for services, agencies must know whether there are potential employees with the requisite skills available to provide these services and whether the agency's finances can afford the costs associated with additional compensation and benefits. Forecasting an agency's human resources supply reveals the characteristics of its internal supply of labor; it also helps to assess the productivity of incumbent employees, implement succession planning and salary planning, and identify areas where external recruitment and/or training and development are necessary.

Training and development are essential to the effective use of an organization's human resources and are integral parts of its human resource planning. Training is used to remedy immediate needs, while development is concerned with long-term objectives and the ability to cope with change. Training and development should be viewed as a continuous process. There will always be new employees, new positions, new problems, changes in technology, and changes in the external and internal environments that require a planned approach to training and development and its integration with other HRM functions. Training and development influence recruitment, selection, career planning, and the compatibility between agency goals and employee aspirations. Training and development programs must be integrated to complement the organization's mission and operations. Organizations should use employees wisely with respect to the strategic needs of the organization.

Turnover, including retirements, must be anticipated and planned for. HRM departments must track the skills of incumbent employees and keep skill inventories. Recruitment and training must be tied to the organization's mission. The availability and stability of financial support; the advancement of technological changes, legal regulations, and social and cultural changes; and the evolution of human resource requirements must be considered when developing strategic plans.

At one time organizations hired employees to fit the characteristics of a particular job. Now it is important for organizations to select employees who fit the characteristics not only of the position but also the organization. HRM professionals must serve as internal consultants working with managers to assess human resource needs. Together they must project the demand for services, develop new resources, and determine the appropriate reallocation of services. The WFSP process, once established, can anticipate and prepare for major changes affecting the workplace.

Effective WSP approaches serve as the foundation of any serious HRM initiative. They must be at the center of efforts to transform the cultures of agencies so that they become results-oriented

and externally focused. To facilitate these changes, HRM personnel and department managers must acquire new competencies to be able to deliver HRM services and shift toward a more consultative role for HR staff.

## Notes

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