

Current Trends in Workforce and Succession Planning

Workforce Planning in Tough Times

Perspective in Washington State Government

IPMA – HR Training Conference
Seattle, Washington
October 5, 2010

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Workforce planning in tough times

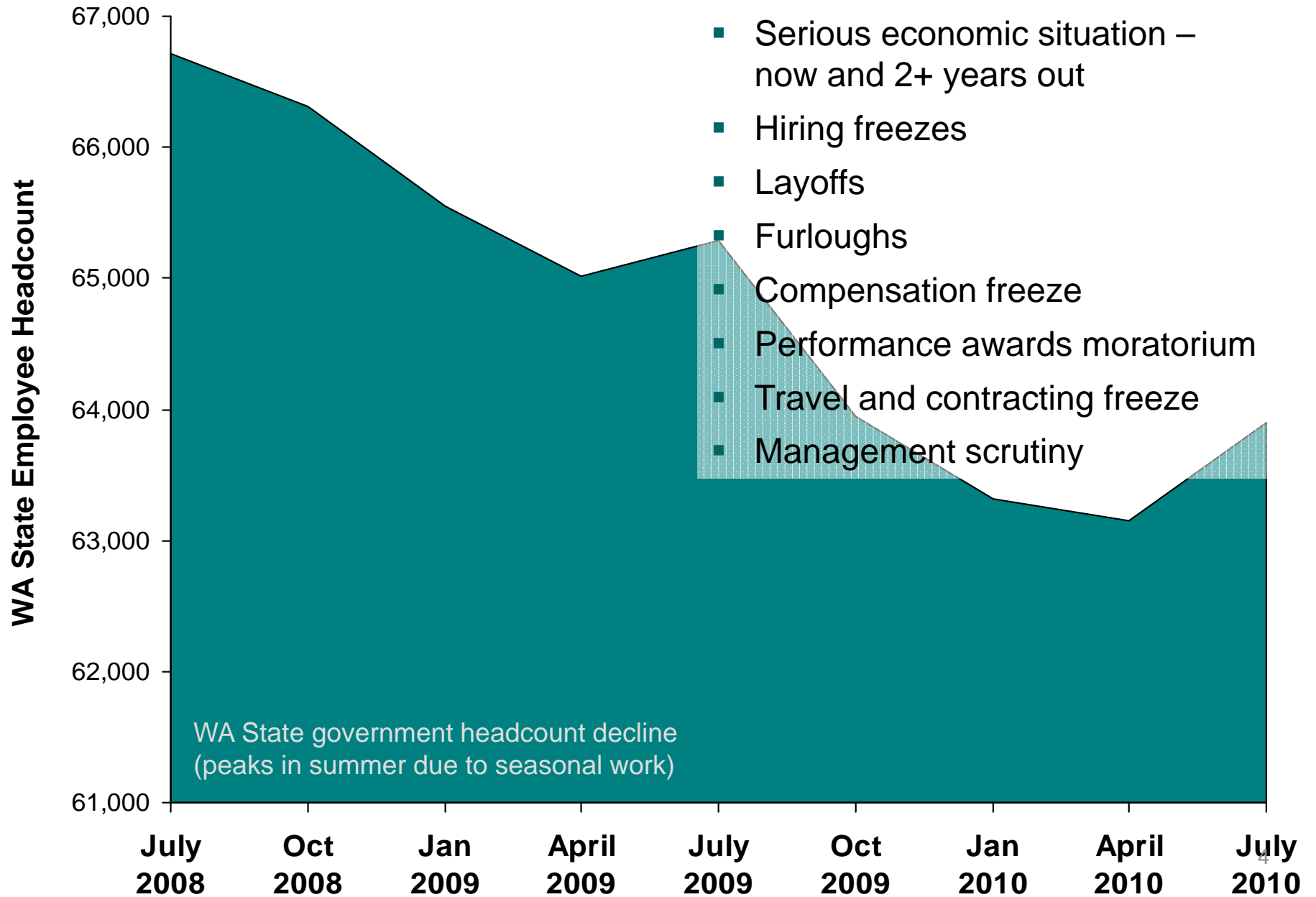
Discussion points:

- Traditional workforce planning
 - In actual practice. In today's climate?
- Workforce planning in today's reality
 - Integration with overall talent management
 - Beyond staffing to organizational sustainability
- Workforce trends and challenges in WA state government
- Talent retention and optimization
- Key WF planning strategy = employee engagement
- Leadership roles

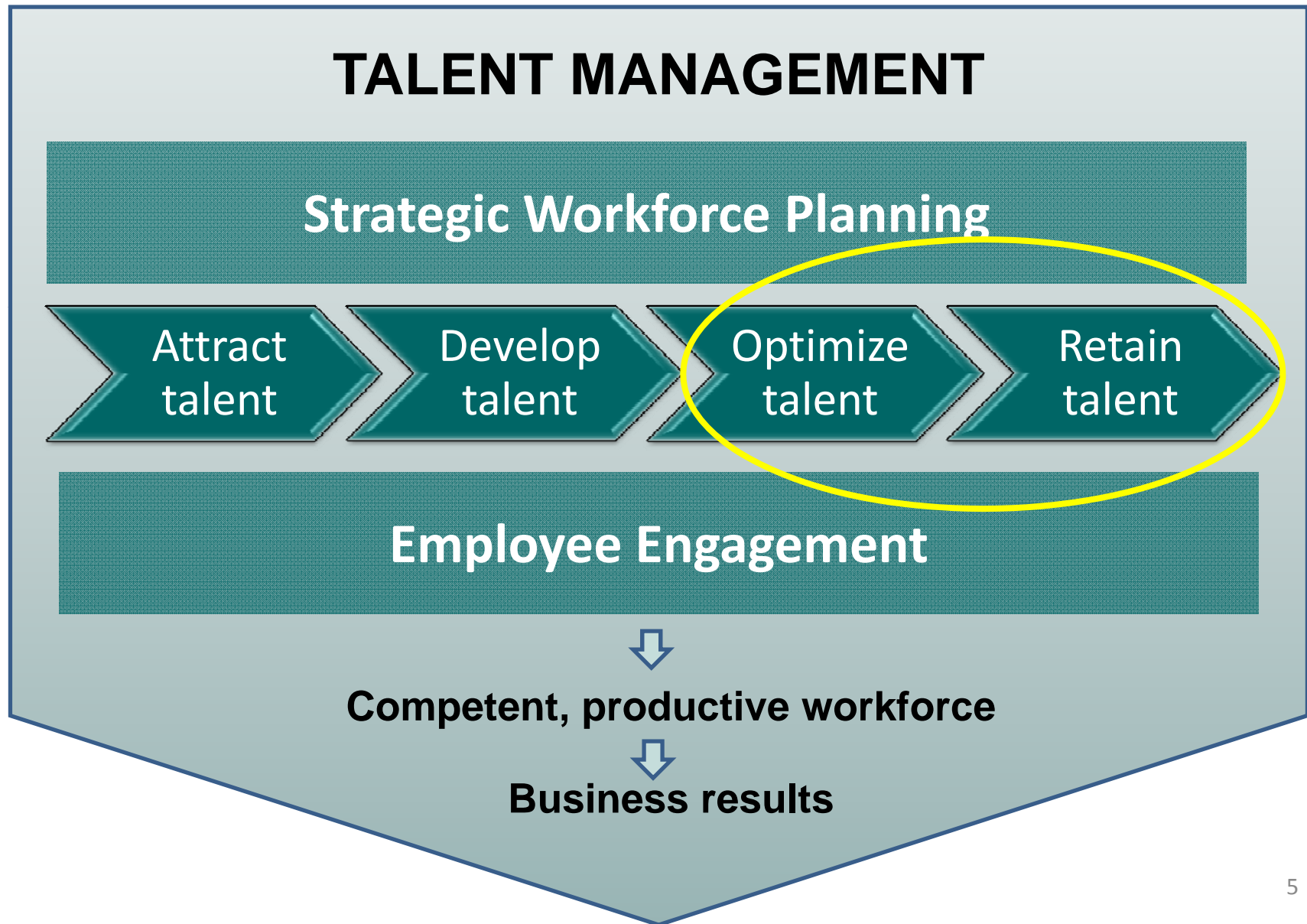
Traditional workforce planning

- Traditional view of workforce planning
 - Right person, right job, right time
 - Tends to focus on staffing and skill gaps
- Actual practice (my observations)
 - Strategies typically concern recruitment, training, succession planning
 - Often limited to near term issues, rather than strategic needs
 - HR makes it too complex for business to use or take seriously
 - Needed data is often missing
- Now is not the time
 - Economic troubles for government
 - Hard sell if limited to staffing strategies
 - Need to make the most with what you have

Economic hits on WA State workforce

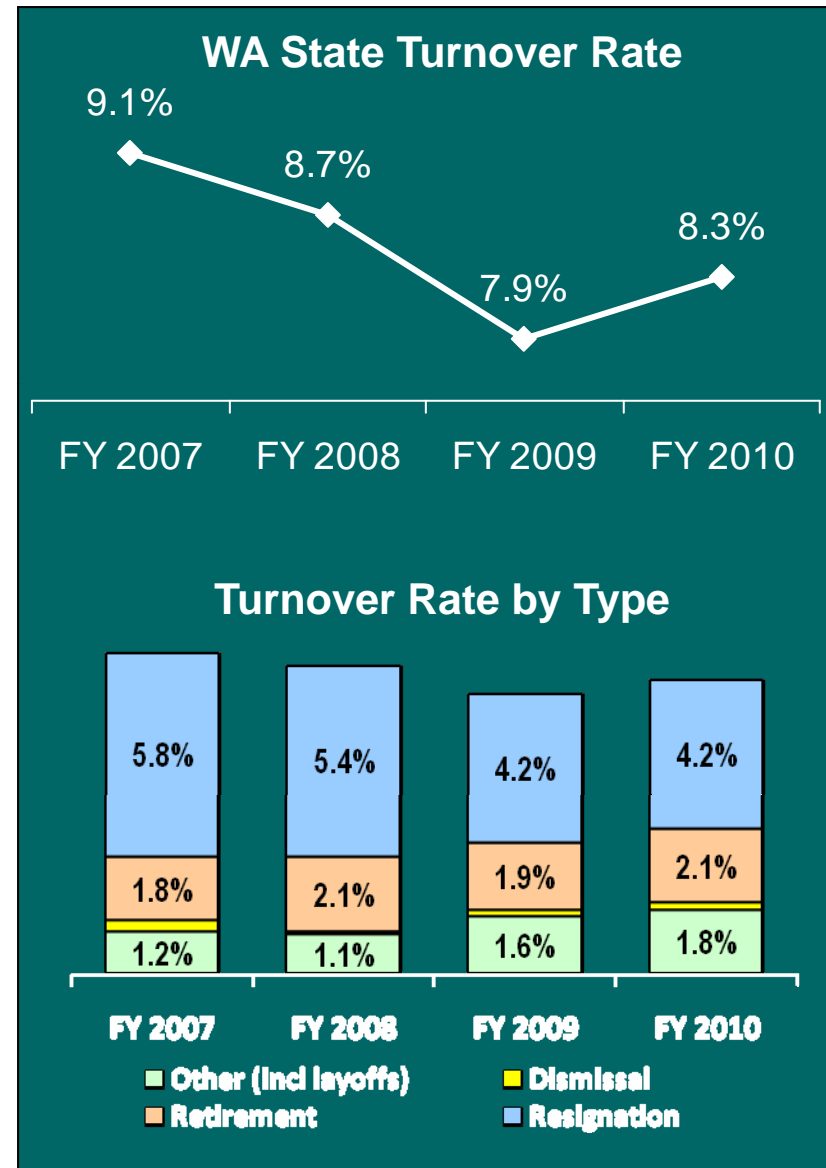


Workforce planning in today's reality



Retention trends in WA State

- FY 2009 saw a significant decrease in voluntary departures
- Increased rate in FY 2010 primarily due to layoffs and slight increase in retirements
- ~2,200 employees directly impacted by layoff activity. 35% fully separated
- The number of employees working for 30+ years increased from 2% in 2001, to 5% in 2009
- 2000: 36% of workforce 50+ years old
2010: 44% of workforce 50+ years old
- **Do we have a talent retention issue?**



Retention risks created by downturn

Decline in voluntary turnover

- Disengaged employees not leaving

Increase in voluntary turnover

- Losing key talent and top performers

Layoffs and bumping

- Bad job fit for bumpers
- Instability among survivors

Delayed retirements

- Delay may be short-lived, then sudden knowledge gap

Discouraged managers

- Managers disengagement
- Negative impact on staff

Gallup Management Journal

Top 5 Predictors of Turnover

1. The immediate manager

- Manager's expectations are unclear
- Manager provides inadequate tools or resources
- Opportunities for development are few

2. Poor fit to the job

- Employees perceive that they don't have opportunities to do what they do best

3. Coworkers not committed to quality

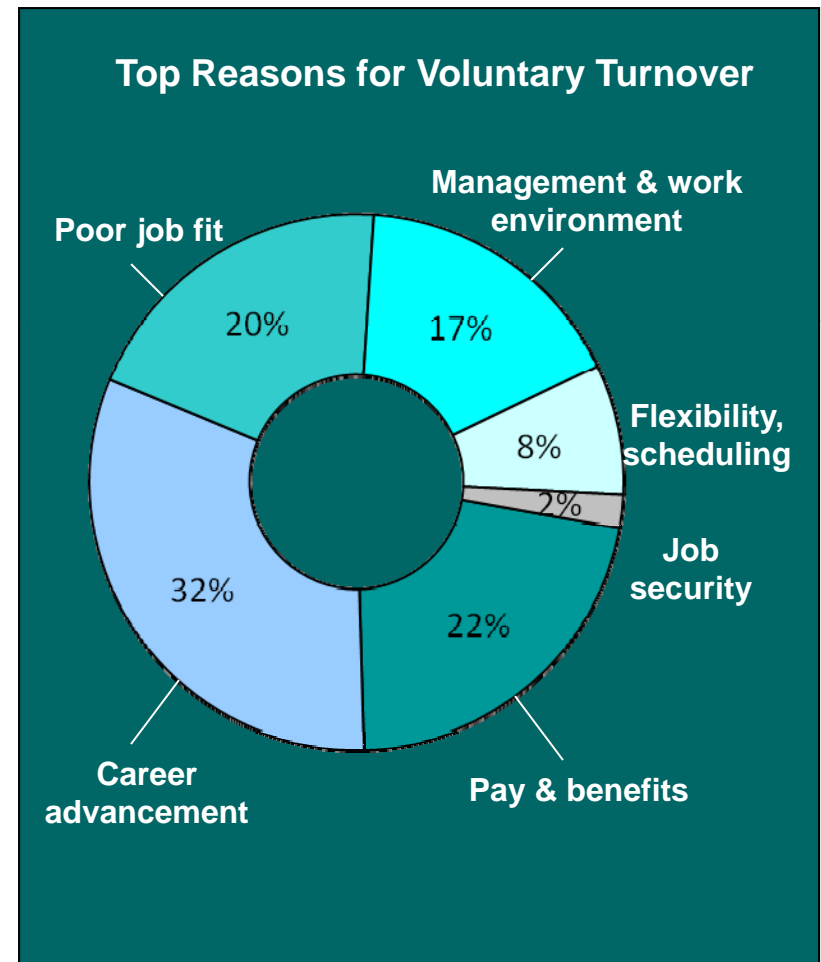
- Employees perceive that their coworkers are not committed to a high standard of work

4. Pay and benefits

- Engaged employees are far more likely to perceive that they are paid appropriately for the work they do than disengaged employees

5. Connection to the organization or to senior management

- Employees don't feel connected to the organization's mission or its leadership



Source: Gallup Management Journal "Turning Around Employee Turnover" 5/8/2008

Engagement is key for WF planning in tough times

- The typical strategies to deal with economic downturn in government can directly and negatively affect employee engagement
- A disengaged workplace translates into:
 - Talent retention risk
 - Lack of talent optimization
- Employee engagement should be a key objective of today's workforce planning strategies

What is employee engagement?

Organizations with high employee engagement levels experience

- ✓ Higher customer loyalty/engagement
- ✓ Higher profitability
- ✓ Higher productivity
- ✓ Lower turnover
- ✓ Fewer safety incidents
- ✓ Less property theft or loss
- ✓ Lower absenteeism
- ✓ Higher quality

Source: Q12 Meta-Analysis: The Relationship between Engagement at Work and Organizational Outcomes. Gallup 2006/2009

The Three Types of Employees	
1 28% nationally	ENGAGED employees work with passion and feel a profound connection to their company. They drive innovation and move the organization forward.
2 54% nationally	NON-ENGAGED employees are essentially “checked out”. They’re sleepwalking through their workday, putting time – but not passion – into their work.
3 18% nationally	ACTIVELY DISENGAGED employees aren’t just unhappy at work, they’re busy acting out their unhappiness. Every day, these workers undermine what their engaged coworkers accomplish.

Source: Gallup Management Journal 1/21/2010

Assessing engagement level

Gallup Q¹²: Measuring employee engagement

1. I know what is expected of me at work.
2. I have the materials and equipment I need to do my work right.
3. At work, I have the opportunity to do what I do best every day.
4. In the last seven days, I have received recognition or praise for doing good work.
5. My supervisor, or someone at work, seems to care about me as a person.
6. There is someone at work who encourages my development.
7. At work, my opinions seem to count.
8. The mission or purpose of my company makes me feel my job is important.
9. My fellow employees are committed to doing quality work.
10. I have a best friend at work.
11. In the last six months, someone at work has talked to me about my progress.
12. This last year, I have had opportunities to learn and grow

Comparison of Gallup¹² to WA State Employee Survey

Survey Question	Gallup Q ¹² Survey March 2009* (nationally)	WA Employee Survey October 2009**	
		# agencies up	# agencies down
Knowing what's expected of me at work	↓	↑ = 22	↓ = 13
Receiving recognition for good work	↑	↑ = 20	↓ = 15
Talking about my progress, getting feedback	↓	↑ = 21	↓ = 14
Opportunities to learn and grow	↓	↑ = 8	↓ = 28
Having opportunity to do what I do best	↓	n/a	n/a
Connecting to the mission of the organization	↓	↑ = 22	↓ = 13
I have necessary tools and resources to do job	n/a	↑ = 11	↓ = 23

* Gallup Q12 Survey of companies nationwide. Results reflect change between March 2008 and March 2009

** WA State Employee Survey. Results reflect change between November 2007 and October 2009. Only includes agencies with 50 or more respondents (37 agencies)

Leadership's role to re-build engagement

Overcommunicate

- Open, transparent, proactive, honest, and frequent
- Have empathy and compassion
- Honest communication builds trust. Trust in leaders builds engagement

Articulate the organization's strategy and future state

- What we're doing (and not doing) and why. Connect to the mission.
- Clarify employees' roles and job expectations in that future state
- Involve employees in strategies to get there and re-build momentum
- This helps employees regain a sense of stability and hope and focus

Communicate progress

- Progress discussions help people see their contribution to the organization's future

Encourage learning and growth

- Helping people develop does not require buying training
- Coaching, mentoring, project assignments, etc. help promote development and avoid stagnation or fear of failure in a new or unanticipated role

Give frequent feedback and recognition

- People want to know how they're doing. Even negative feedback is better than complete neglect.
- There are lots of non-monetary means to recognize good work. A simple "thank you" can go a long way.

Align the entire management team

- Get buy-in from middle and line managers since they directly impact frontline workers
- Maintain or re-build managers' engagement

Suggested resources

- **Gallup Management Journal** - <http://gmj.gallup.com/>
A monthly online business publication written for business and management leaders based on proven results from research and data. Includes insightful articles on employee engagement.
- **CLC Human Resources** - <https://clc.executiveboard.com/Members/>
Subscription service that provides best practices and quantitative research and education for senior HR executives and staff. Includes a wealth of information on strategic workforce planning and employee engagement.
- **WA State Department of Personnel** - <http://www.dop.wa.gov/strategichr/>
Washington State Department of Personnel's website includes a Strategic HR section that provides state workforce data, resources, and strategic information. Also included are workforce planning models and guidelines, and the state's recent work on employee engagement.

