

# Workforce Planning Connect

Right Skills. Right Time.

A workforce planning  
toolkit for SMEs

## **FURTHER ENQUIRIES**

For enquiries or further information about this report:

**Telephone:** 07 3436 6190

**Email:** [info@jobsqueensland.qld.gov.au](mailto:info@jobsqueensland.qld.gov.au)

## **COPYRIGHT**

This publication is protected by the *Copyright Act 1968*. © State of Queensland, Jobs Queensland, March 2019.

Excerpts may be reproduced with acknowledgement of the State of Queensland (Jobs Queensland).

## **LICENCE**

This work is licensed by Jobs Queensland under a Creative Commons Attribution (CC BY) 3.0 Australia licence. To view a copy of this licence, visit: <http://www.creativecommons.org/licenses/by/3.0/au/>

## **OTHER LANGUAGES AND FORMATS**

The Queensland Government is committed to providing accessible services to Queenslanders of all cultural and linguistic backgrounds. If you have difficulty understanding this publication and need a translator, please call the Translating and Interpreting Services (TIS National) on telephone 131 450 and ask them to contact Jobs Queensland on (07) 3436 6190.

Alternative formats (including large print) are available on request. If you would like this in another format, please contact us (calls from mobile phones are charged at applicable rates).

Persons with a hearing impairment:

**TTY:** 07 3896 3471

## **DISCLAIMER**

While every care has been taken in preparing this publication, the State of Queensland accepts no responsibility for decisions or actions taken as a result of any data, information, statement or advice, expressed or implied, contained within. To the best of our knowledge, the content was correct at the time of publishing.

## **IMAGE CREDITS**

Cover: B&R Enclosures, Heathwood. Photographer: Welcome to the Fold.

Page 6: The Star Gold Coast. Photographer: Michael Marston ePixel images.

Page 16: Stock image, Depositphotos.

Page 22: Queensland Training Awards.

Page 28: Queensland Training Awards.

Page 31: Queensland Training Awards.

# Contents

<b>WELCOME</b> .....	<b>4</b>
<b>STAGE 1: GET STARTED</b> .....	<b>6</b>
<b>STAGE 2: GATHER INFORMATION</b> .....	<b>16</b>
<b>STAGE 3: IDENTIFY ISSUES AND FIND SOLUTIONS</b> .....	<b>22</b>
<b>STAGE 4: DEVELOP, IMPLEMENT AND MONITOR</b> .....	<b>28</b>
<b>TOOLKIT RESOURCES: FACT SHEETS, CHECKLISTS AND TEMPLATES</b> .....	<b>31</b>
Factsheet 1: Workforce planning: A summary guide .....	33
Factsheet 2: Calculating your workforce turnover .....	34
Checklist 1: Workforce planning: Am I ready? .....	35
Template 1: Who should be involved? Stakeholder planning .....	36
Template 2: Knowing your business and workforce .....	37
Template 3: Current workforce data and profile .....	38
Template 4: Workforce supply, future demand and gap analysis .....	40
Template 5: Detailed workforce plan .....	41
Template 6: Workforce action plan on a page.....	42

# Welcome

Workforce Planning Connect is a suite of materials designed to support employers, industries and regions to access the skills and workforce they need.

This workforce planning toolkit is for small and medium-sized enterprises (SMEs) in Queensland. It is designed to help Queensland SMEs:

- understand the benefits and advantages of workforce planning
- build knowledge and understanding of workforce planning
- grow capability and skills in workforce planning.

The toolkit provides practical tips and tools on how to develop and implement a workforce plan for your business so you are better positioned to respond to your workforce needs now and into the future.

It can be used by people who have never undertaken workforce planning before, as well as those who may have done some workforce planning previously.

To find out more, visit the Workforce Planning Connect website at [www.jobsqueensland.qld.gov.au/wpc](http://www.jobsqueensland.qld.gov.au/wpc).

# Introduction

Industries today are constantly changing, which is likely to have some impact on your business.

New technologies, changes in the economy and access to capital are just some areas of change and uncertainty.

Change can mean growth or decline in markets and your customer base, and an increase in competition.

Many businesses use workforce planning to help think ahead and manage change.

Workforce planning can be defined as 'the systematic identification, analysis and planning of organisational needs in terms of people'.<sup>1</sup>

Workforce planning, when done effectively, can deliver many benefits and positive outcomes.

Most businesses, whether they are actively planning or not, are already doing some elements of workforce planning as part of their regular business operations.

You may find this includes things such as developing new skills in your workforce or needing to recruit new employees to meet customer demands. However, you may not have a systematic approach to collecting and analysing your workforce data so that you can make better informed decisions based on actual workforce performance.



**This toolkit includes:**



**TOOLKIT RESOURCES**



**CONSIDERATIONS**



**KEY ACTIVITIES**



**SCENARIOS**



**CHECKLISTS**



**SUGGESTIONS**

<sup>1</sup> International Standardization of Organisations (ISO) Human Resource Management Standard: Workforce Planning ISO 30409:2016; Australian Standard: Workforce Planning AS5620:2015.

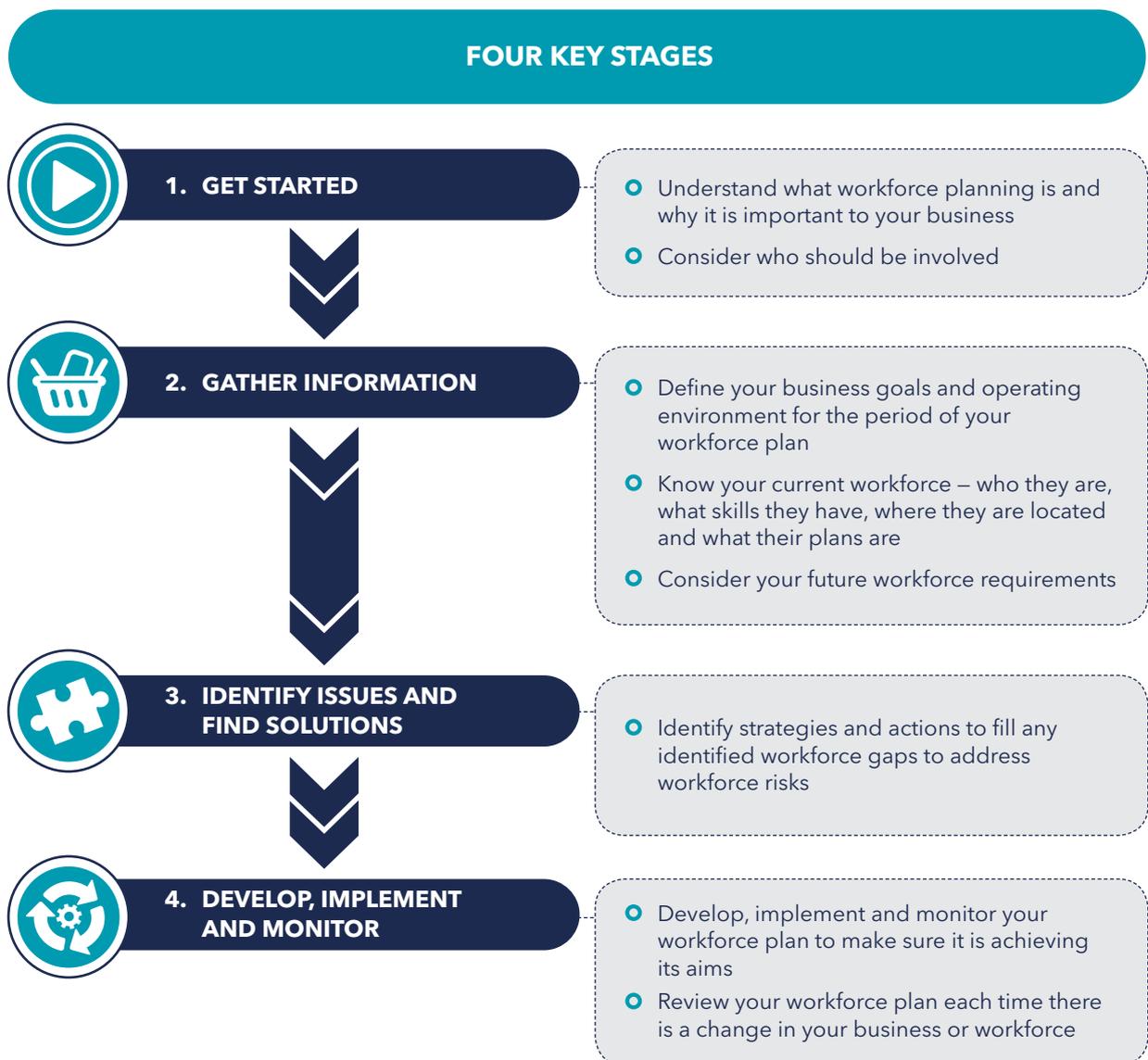
# How to use this toolkit

The toolkit is structured to step you through the workforce planning process. It will follow these four key stages:

1. **Get started**
2. **Gather information**
3. **Identify issues and find solutions**
4. **Develop, implement and monitor**

The framework below identifies the information and resources that can be adapted to your business. You can use the steps outlined in this toolkit to develop a complete workforce plan or to address a specific workforce challenge, opportunity or need in your business.

Figure 1: Workforce Planning Connect framework



STAGE 1

# GET STARTED





### KEY ACTIVITIES IN THIS SECTION

1. Understand the key stages and steps of workforce planning
2. Plan for who should be involved

## What is workforce planning?

Workforce planning involves planning for the people who will help your business deliver its products and services to your customers. Similar to business planning, it is a continuous process of identifying the existing skills of your workforce (where you are now), desired future skills (where you are going), workforce gaps, and strategies and actions to close those gaps (how you will get there). These strategies and actions can include training and development, recruitment and improving workforce performance.

### WORKFORCE PLANNING INVOLVES FIVE SIMPLE STEPS

1. Define your business goals and its operating environment for the desired timeframe.
2. Know your current workforce – who they are, what skills they have, where they are located and what their plans are.
3. Consider your future workforce requirements.
4. Analyse and develop strategies and actions to fill any identified workforce gaps.
5. Implement, monitor and review your workforce plan to make sure it is achieving what it was meant to.

Figure 2: Workforce planning cycle



The purpose of workforce planning is not to decide what you will do in the future, it is about determining what you can do now to be best prepared for the future.

To maximise the benefits of workforce planning, it should be integrated into your business planning. This will help to have the right people, at the right time and place, doing the right things to achieve your business goals.

These goals can range from growing or selling your business, to just simply wanting to achieve another successful year of operation. Along with your business plan, your workforce plan will get you and your workforce ready to respond to any changes in your business environment. Your workforce plan should be regularly reviewed as changes and challenges occur.

Figure 3: Integrated business planning



## TOOLKIT RESOURCE

### FACT SHEET 1: Workforce planning: A summary guide

This fact sheet provides an overview of the four stages of workforce planning.

## Why is workforce planning important?

A good workforce plan will give you a solid understanding of your current workforce and how to prepare your workforce for the future.

Small business often relies on the knowledge and skills of a small number of employees. The departure of any one of these employees (through resignation or retirement) can be costly and result in the loss of important business knowledge. New opportunities can also emerge for your business that require your workforce to change.

Workforce planning is important for small business as it can help position your business to be more resilient to economic, environmental, social and technological change. It also allows businesses to compete better for employees and skills, now and in the future.

Workforce planning that is integrated with business planning can help your business:

- respond quickly and strategically to change, as business managers can recognise emerging challenges in the market, workforce and business
- improve efficiency, effectiveness and productivity (your workforce possesses the right skills and are a good fit for the job)
- plan for future workforce requirements (identify staffing needs in a timely manner, monitor turnover and ensure replacements are available to fill key vacancies)

- engage your workforce, increase job satisfaction and foster goodwill through improved employee relations
- build workforce skills to support business activities and achieve business goals
- identify and manage people with the knowledge critical for effective and efficient business operations
- plan for new and emerging skills or roles through specific recruitment, training activities or collaborating with other businesses
- know who is in your workforce, what they do, the skills they have and the skills they need to develop or improve
- identify where you are most at risk of productivity and continuity losses, and where you need to train employees to ensure you have a consistent supply of talent
- identify whether or not you need to improve your retention strategies. If key skilled people are regularly leaving, how you can prevent this from continuing to occur?
- link your workforce initiatives to your finance and business planning to ensure they are aligned to plans and budgets.

Your workforce plan should be regularly reviewed to ensure your business is well positioned to achieve its goals.

## Where do I start?

Undertaking workforce planning for the first time can feel like a daunting process. It doesn't have to be. Workforce planning has proven to be successful in supporting businesses, regardless of size.

Things you will need to consider include:

- What is your current strategy? The strategy of a business will provide guidance on its key functions and activities, including products and services to be delivered. This will be very important in developing your workforce plan as it will provide insights into your business goals.
- Who will be doing this? Will this be the business owner, a manager or an external person?
- Regardless of the size of your workforce, segmenting your workforce into different types of roles, functions and skills will help you best understand and focus on the most important workforce aspects of your business.
- What workforce information do you already have?
- What workforce information can you collect relatively easily?
- What is the best way to communicate to your workforce and stakeholders?

It is important to remember that workforce planning does not need to be complicated, but it does require thought and engagement with your staff.

## Who should be involved?

It is important that you consider who should be involved in workforce planning for your business. Your workforce planning team is a core group who will be involved in the design, implementation, monitoring and evaluation of your workforce plan.

It is important to have commitment and support from your senior business leaders/owners to ensure that there is alignment between the workforce plan and the business direction. It is beneficial to include line managers and employees to capture their knowledge and input.

The key is to clearly define roles and responsibilities for workforce planning activities and to set realistic deadlines.

When bringing a team together, clarify how you are going to reach your end goal, as well as who is committed to making this goal happen.



### THINGS TO CONSIDER

- Who are your stakeholders, based on the scope and scale of your workforce planning?
- What is their role in relation to workforce planning?
- Who are the key decision-makers?
- How can they be best involved and what time can they commit?



### SUGGESTIONS ON WHO TO INVOLVE

- a diverse mix of management and employees that represent various business levels, functional areas and locations
- line managers who oversee areas with critical hiring needs
- line staff, including both new hires and those employees with more experience.
- a mix of age (including youth and mature age), gender, cultural background and declared disability
- dedicated and knowledgeable staff
- those staff with specific expertise needed to implement the workforce plan – HR, IT, finance etc.
- union representatives.



### TOOLKIT RESOURCE:

#### TEMPLATE 1: Who should be involved? Stakeholder planning

This template will assist you to identify who you should include in your workforce planning activities.

# Successful workforce planning – you can do it

Successful workforce planning outcomes can be achieved through a simple process, and with limited experience, resources and data, and limited workforce planning capability.

## **The process is the same for any size business in any industry.**

The process of workforce planning is relevant to any organisation of any size. As SMEs, you are encouraged to seek support if required from industry bodies, your local chamber of commerce, regional development boards or through government resources.

## **Start with the end in mind.**

Be clear about what you are trying to achieve by undertaking workforce planning. Articulating this will help you identify a tailored process that aligns with timeframes and capability levels. This also provides the measure of success for the workforce planning initiative. When evidence-based workforce planning is undertaken, the data collected can be used to quantify and qualify the reason for the outcome the business is seeking.

## **Workforce planning can be successful without being complicated.**

Consider the level of internal capacity and capability in your business to implement workforce planning. If needed, identify where external support can be sourced throughout the industry and the region in which you are located.

## **Data collection does not have to be complex.**

Workforce planning can be effective without sophisticated metrics or HR systems. Consultation with key business advisors or managers can be just as effective. Managers generally have the answers to workforce planning, but can struggle to articulate what is required. Asking the right questions will enable you to draw out from managers the information that is being sought. If you currently have limited workforce data, you can commence collecting new data that will increase your available workforce information over time.

## **Businesses that incorporate workforce planning into their normal business processes are better placed to retain and compete for the workforce they require now and in the future.**

Workforce planning works best when it is integrated with your normal business planning processes. Businesses that align strategic, business and workforce plans are better placed to identify current and future workforce requirements. Aligning these processes will ensure that the workforce plan is future focused and that outcomes are prioritised and funded. It also provides an opportunity to review the relevance and currency of the workforce plan in line with business or industry changes. This creates a workforce planning environment that is continuous and not static.

## **Workforce planning supports the right workforce development initiatives.**

Workforce planning enables an evidence base for decisions about workforce requirements, in particular workforce development strategies. It is a way of managing workforce risk. Workforce development can include recruitment and retention strategies, building capability through learning and development, job redesign, and strategies to diversify the workforce.

### **Engagement of key stakeholders is critical.**

The value of engagement with key stakeholders cannot be underestimated, particularly when introducing workforce planning into your business. Key stakeholders can include your business managers, business advisors, employees and employee representative groups, such as unions. The implementation of workforce strategies and actions are most effective if all stakeholders are engaged in the process, particularly if those employees will be affected.

### **Workforce planning can identify risks to the business.**

A key consideration of workforce planning is to identify and understand workforce risks and the potential impacts on the business. Being able to identify workforce risk effectively allows for risks to be managed and mitigated through appropriate workforce strategies to lessen potential negative consequences for the business.

### **A workforce plan is not a static document.**

It should be a live, active process supported with regular workforce insights and annual reviews in alignment with your normal business planning activities.

## **Useful terms to know**

### **WORKFORCE SEGMENTATION**

Workforce segmentation is grouping your workforce by similar characteristics.

Some approaches to workforce segmentation include:

- **Role-based or job family:** Jobs are segmented by the type of work performed, for example, customer service officers, machine workers, administrative support, or by similar occupational groupings such as accountants, engineers or carpenters. This approach allows you to identify and focus on the skills and capabilities that are important to your business.
- **Employee-based:** Segmentation can be by demographics such as work location, gender or age profile. This approach can inform workforce risks from potential workforce availability by these segments.
- **Business structure:** Many businesses display their workforce structure through an organisational chart, which is useful for demonstrating business units and reporting lines. However, organisational charts don't show the skills and capabilities within the business, which is essential for workforce planning.

### **WORKFORCE INFORMATION**

Workforce information covers a range of intelligence and data that exists or can be created about your workforce.

#### **Quantitative**

- **Positions:** How many are filled or vacant?
- **Positions:** What positions have been budgeted for?
- **Resignations:** How many and why?
- **Recruitment:** How many positions, by type and reason for the particular role needed?
- **Diversity information:** What is the diversity of your workforce in terms of age (including youth and mature age), gender, cultural background, declared disability?
- **Qualifications:** What type of qualifications are required?
- **Skills:** What specific skills are required?

### Qualitative

- Learning and development needs
- Employee engagement
- Work life stage (new to the workforce, early -, mid-, end-career workers)
- Career aspirations
- Individual worker intentions to stay or leave

While this is not an exhaustive list of workforce information that a business may have available, it demonstrates the breadth of information that already exists or can be gathered to assist with workforce planning.

### WORKFORCE SUPPLY

Workforce supply is the size of your current and future workforce. It takes into consideration employee turnover through resignations and retirements, and how these affect the size of your workforce over time.



#### Scenario

Your business has 30 employees. There are six **resignations** a year (20 per cent) and you have one person **retire** each year. If you did nothing – that is, not replace these employees as they left – at the end of three years, there would only be nine employees left in your business.

Current employee numbers	Resignations			Retirements			Total employees at Year 3
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	
30	6	6	6	1	1	1	9

### WORKFORCE DEMAND

Workforce demand is the number of employees you will need today and into the future to deliver against your business plan.



#### Scenario

Your business has 30 employees. If you are to **increase** by two employees every year, at the end of the three years, you would have 36 employees.

Current employee numbers	Growth			Total employees at Year 3
	Year 1	Year 2	Year 3	
30	2	2	2	36

## WORKFORCE GAP

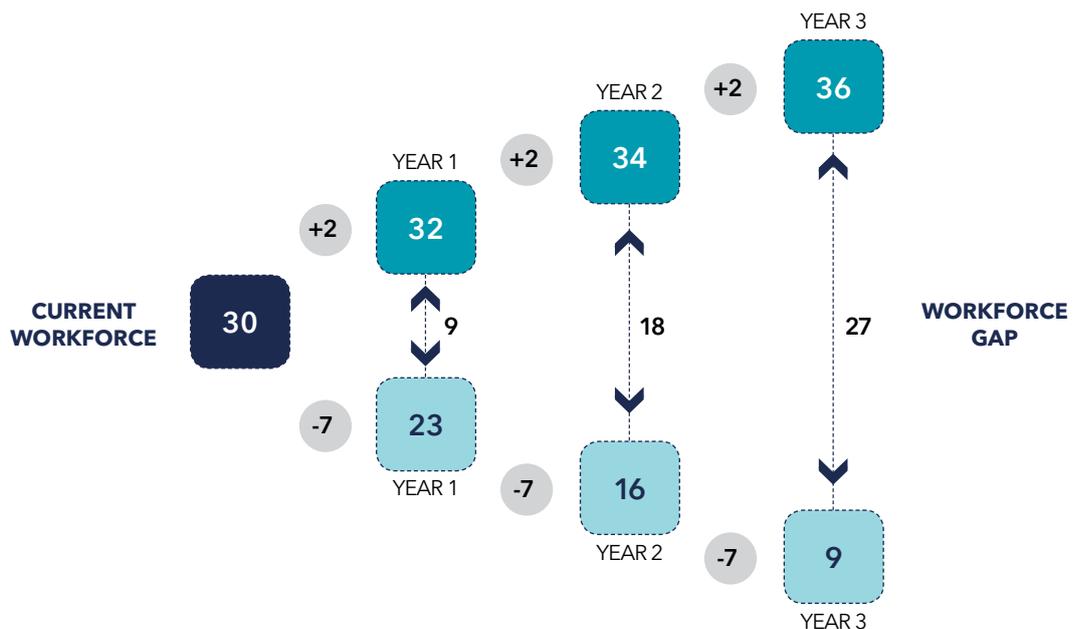
A workforce gap occurs when there is a mismatch between supply and demand. That is, you do not have enough employees to meet your business needs or, in some cases, too many employees for your business needs.



### Scenario

Your business currently has 30 employees and you **need to grow by two people each year**. Analysis of your workforce data shows that on average six people resign and one person retires every year. Assuming you do nothing to replace these seven employees at the end of the first year, you will have a gap of nine people. In other words, you will have 23 employees instead of the 32 employees you require. This gap will widen to 18 people at the end of the second year if you continue to take no action. You will have only 16 workers as opposed to the 34 employees you forecast you required to meet your business requirements. By the end of the third year, when you had hoped to employ 36 workers, the gap is now at 27, with just nine employees available if you do nothing.

Year 1	Current employee numbers	Growth Year 1	Resignations + retirements Year 1 (-)	Total workforce end of Year 1	Gap Year 1
	30	2	7	23	9
Year 2		Growth Year 2 (+)	Resignations + retirements Year 2 (-)	Total workforce end of Year 2	Gap Year 2
		2	7	16	18
Year 3		Growth Year 3 (+)	Resignations + retirements Year 3 (-)	Total workforce end of Year 3	Gap Year 3
		2	7	9	27



Once you understand your potential workforce gap, you can then start planning to address it through relevant strategies and actions.

## WORKFORCE RISK

A workforce risk is any workforce issue that could result in an event that is detrimental to a business's outcomes and outputs. Risks arise where there is a gap between a business' existing workforce and the workforce required to deliver its products, services and goals.

Workforce risks can come from two main sources:

- internal to the business through business strategy and direction, resources, workplace culture, business structure, workplace health and safety, leadership, resignations, and workforce skills and capabilities
- external to the business through market competition, disruptive technologies, economic environment, customer behaviour and industry trends.

By undertaking regular workforce planning, your business should be able to identify most workforce risks. Identifying and understanding workforce risks can involve a number of activities, including:

- monitoring and analysing relevant workforce data that will impact on business delivery, such as high workforce turnover or unplanned absences
- employee survey results that measure job satisfaction and future intentions to stay or go
- number of vacant positions, including how long it takes for the new employee to commence.

Committing to monitoring and reporting workforce data and regularly reviewing your workforce plan will enable you to identify emerging issues as they arise and to adequately respond.



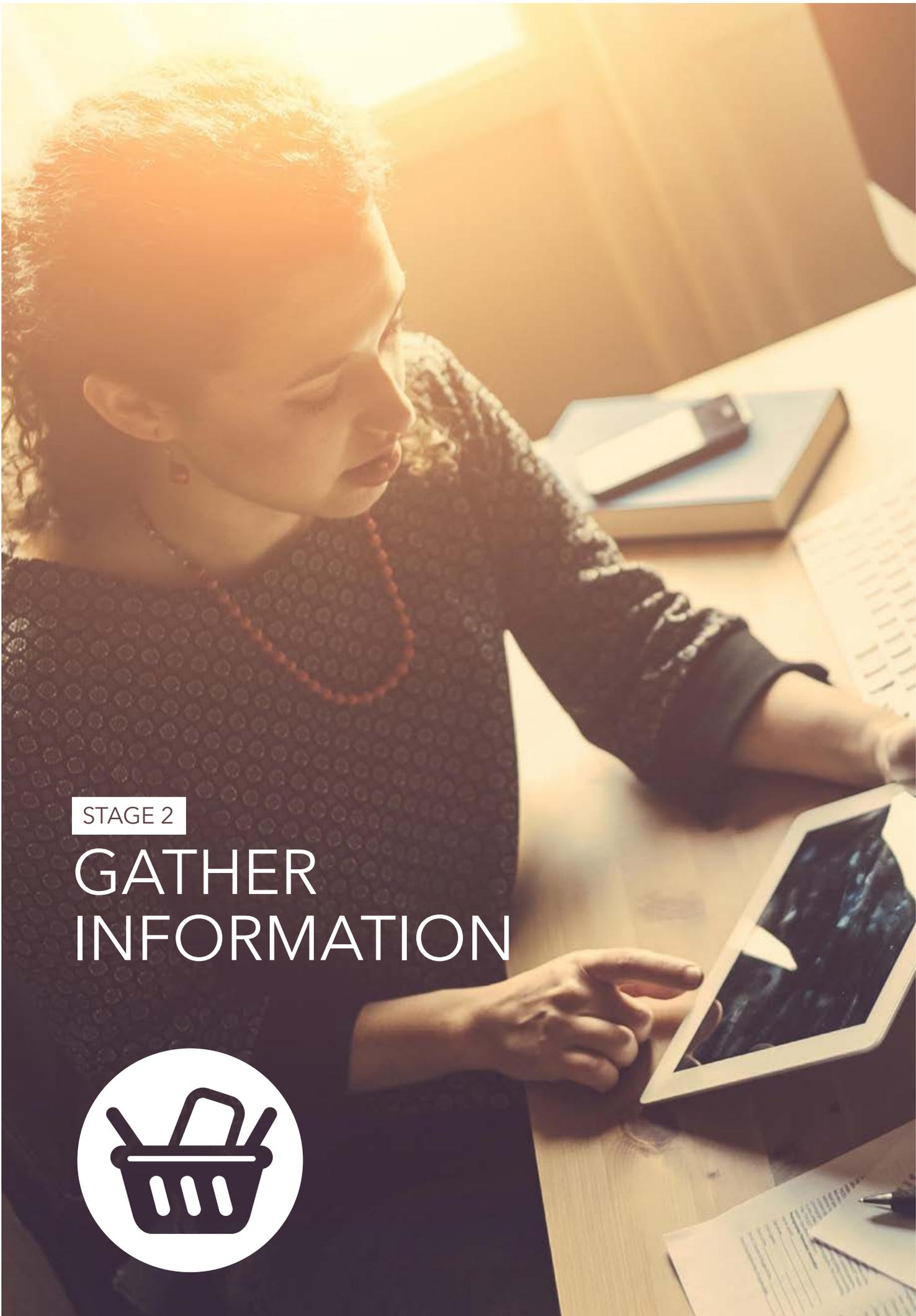
### GET STARTED CHECKLIST

I understand:

- what workforce planning is (refer to Fact sheet 1: Workforce planning: a summary guide)
- why workforce planning is important to small business
- who I should include when undertaking workforce planning (refer to Template 1: Who should be involved? Stakeholder planning)
- key terminology that is used, e.g. workforce demand, workforce supply.

STAGE 2

# GATHER INFORMATION





### KEY ACTIVITIES IN THIS SECTION

1. Review and understand your business goals
2. Review the profile of your current workforce
3. Identify where you might want to be in the future

## Introduction

When gathering the information needed for workforce planning, you will need to consider the quality and reliability of your workforce information systems. Most of your basic data can be found in the payroll system, though you will need to consider the quality and reliability of that information when using the data to inform decisions on your workforce plan.

Workforce data collection does not have to be complex, and workforce planning can be successful with limited data. Consultation with managers, business advisors and your workforce can be just as (or more) effective than collecting data from the systems. If you are lacking confidence in your data quality and reliability at the moment, develop a plan to increase the accuracy and integrity of data collection for the future.



### TOOLKIT RESOURCE

#### CHECKLIST 1: Workforce planning: Am I ready?

This checklist is to assist you in determining whether you are ready to commence workforce planning in your business.

## What are your business goals?

Workforce planning is about your workforce, the people who will deliver your business' products and services to your customers. To ensure you are best positioned to have the right people, right skills, right numbers, at the right time and place doing the right things, you need to be clear about your business goals. Capturing this information upfront helps to articulate the linkage between your business and workforce requirements.

- What are the products or services that your business produces or provides?
- What are your business goals over the relevant time period, for example, 12 months?
- What are the key challenges in achieving these goals?
- What are the skills that the workforce needs to deliver these products and services so that your business goals are achieved?



## TOOLKIT RESOURCE

### TEMPLATE 2: Knowing your business and workforce

This template will help you understand your business direction and workforce considerations.

## What does your workforce look like now?

The current state of your workforce can be referred to as workforce supply and can be shown through workforce data. The analysis should use the most recent data available, although historical workforce data are also helpful. While there is not a set period for workforce history collection, data should cover the previous 12 months as a minimum.

It is possible that some of the workforce data are not available at the commencement of the workforce planning process. Where data are missing, the use of anecdotal information or assumptions should be considered. Both are viable alternatives and, if used, should be documented.

### KEY WORKFORCE SUPPLY DATA THAT YOU MAY ALREADY COLLECT OR SHOULD BE REASONABLY EASY TO COLLATE



#### What are your workforce segments?

- Role/job family
- Employment status
- Business unit



#### What are their key skills/occupations?

- Skills/current capabilities
- Qualifications



#### How many staff do you have?

- Permanent
  - Full-time
  - Part-time (full-time equivalent, e.g. 0.6)
- Temporary
  - Casual
  - Contract
  - Other, e.g. labour agency



#### What is your turnover rate?

- Resignations (anticipated turnover based on previous resignation rate)
- Retirements (workers approaching 60+ years)



#### What are your current work practice arrangements?

- Fixed hours of work
- Shift work
- Flexible
- Leave (annual/sick/other)
  - How are these absences managed?



#### What is the demographic profile of your workforce?

- Occupation/position
- Location (if your business has more than one location)
- Length of service
- Diversity statistics
  - Gender
  - Age profile (including youth and mature age)
  - Cultural background
  - Declared disability



#### What is the current workforce cost?

- Fixed costs, e.g. wages/salary (including superannuation, leave loading, etc.)
  - Overhead costs
  - Variable costs, e.g. training

The presentation of workforce data should occur in a way that allows analysis of the information. Different ways to present the data can include graphs to show how information changes over time, i.e. workforce size, workforce age profile, turnover trends. This information is important as it provides your business with a clear view of the current state and the baseline data for your future workforce analysis.



## **TOOLKIT RESOURCE**

### **TEMPLATE 3: Current workforce data and profile**

This template is to capture the key data of your current workforce.  
.....

### **FACT SHEET 2: Calculating workforce turnover**

This fact sheet will show you how to calculate workforce turnover.  
.....

### **TEMPLATE 4: Workforce supply, future demand and gap analysis**

This template considers your current workforce supply against future demand and the resulting gap.

# What does your future workforce need to look like?

Understanding your future workforce needs is about estimating the number and types of employees required to deliver on your business strategy and goals. The workforce planning process that aims to identify your future workforce is referred to as demand forecasting. The workforce demand forecasting process is designed to answer the following key questions in relation to the business plan timeframe.

## WHAT TYPES OF SKILLS WILL BE REQUIRED?

- How many jobs will be required for the future?
- What number of people will be required for each role?
- What roles will be hard to fill, central to business capability and can take a long lead-in time to build the required skills?

## KEY WORKFORCE DEMAND DATA THAT YOU MAY ALREADY COLLECT OR THAT SHOULD BE REASONABLY EASY TO COLLECT



### What factors will drive your future workforce needs (one or more of these scenarios will fit your business plan)?

#### Business growth – increase in demand for products and services

- What skills/occupations will be needed? *Ongoing or for a defined period*
- When will these skills/occupations be needed? *Continuous need or requirement to cover peaks and troughs, e.g. leave*
- What locations will they be needed in?
- How many of these skills / occupations will be required?

#### Maintaining current business size and operations

- Which skills/occupations will be needed?
- Will there be any changes to these skills / occupations?

#### Business downsizing or shift into new areas – a decrease in a product line or service

- Which skills/occupations will be affected?
- How many employees will be affected?
- What is the timing of the impact?
- What locations will this occur at?



### What skills and capabilities will be required?

#### Changed skills

- What is the level of impact on affected roles?
- Do you need to recruit new staff? *Permanent [full-time/part-time]*  
*Temporary [casual/contract/other, e.g. labour agency]*
- Can you train existing staff?

#### Maintaining existing skills and capabilities

- Will this level increase, decrease or remain stable?

#### New ways of working required, e.g. introduction of new technology

- Is this across the whole business?
- Is there a specific role affected?

#### What are the volumes and timing of these impacts?

#### What is the availability of these skills/occupations in the existing and external workforces?

*(Note that this can be influenced by differing geographical locations.)*

- Are they difficult to find?
- Are they readily available?
- Are you expecting that they will be harder to find?
- Will the cost of these new skills be competitive or come at a premium?

#### What are the expected workforce costs?

- Fixed costs, e.g. wages/salary (including superannuation, leave loading, etc.)
- Overhead costs
- Variable costs, e.g. training

After considering your future workforce requirements, you will now have your future workforce demand data. This information can be presented in graphical ways that will allow your business to have a clear view of its future workforce needs.

Now you can match your workforce supply data to your demand data and, in doing so, identify your workforce gaps. You will need to identify strategies and actions to close these workforce gaps. These strategies and actions will form the basis of your workforce plan that you will then need to prioritise, implement, monitor and review.



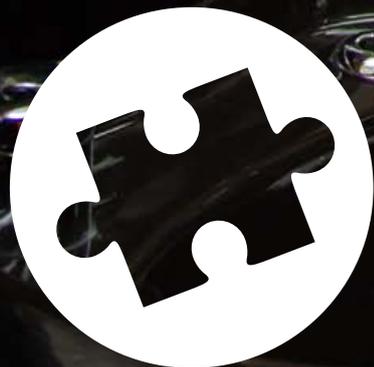
### **GATHER INFORMATION CHECKLIST**

I understand:

- what I need to do to prepare to undertake workforce planning for my business (refer to Checklist 1: Workforce planning: Am I ready?)
- my business direction and workforce considerations (refer to Template 2: Knowing your business and workforce)
- how to calculate workforce turnover (refer to Fact sheet 2: Calculating workforce turnover)
- my current workforce profile (refer to Template 3: Current workforce data and profile)
- what my current workforce supply against future demand and the resulting gap could look like (refer to Template 4: Workforce supply, future demand and gap analysis)

STAGE 3

# IDENTIFY ISSUES AND FIND SOLUTIONS





#### KEY ACTIVITIES IN THIS SECTION

1. Identify your workforce gaps
2. Understand the risk of not addressing your workforce gaps
3. Identify potential solutions
4. Prioritise what you need to do

## Introduction

Once you have gathered your workforce supply and demand data, you are able to compare this information to provide a picture of the workforce gaps in your business. This process is commonly referred to as a gap analysis.

Developing strategies and actions is the culmination of the workforce planning process. This step brings together the analysis, insights and directions revealed in the previous steps. Once the extent of the gaps has been determined and prioritised, effective strategies can be developed and implemented.

Workforce strategy development can be considered from either of these following perspectives:

- themes and issues common across the whole business
- themes and issues unique to a specific part of the business.

You now have the information needed to identify and assess your workforce gaps through the completion of the following templates from Section 2:

- Template 3: Current workforce data and profile
- Template 4: Workforce supply, future demand and gap analysis

### CONDUCT A GAP ANALYSIS

This step involves identifying current and future gaps in your workforce and the order in which the gaps should be prioritised for action. Depending on the level of workforce risk, not all gaps may need to be actioned.

Along with identifying your current and future gaps, summarise the information on existing workforce strategies that your business may already have in place. Think about the ongoing relevance of the strategies against the identified gaps and how effective these strategies have been to date.

## Assess the gaps

There are two types of gaps – one is a workforce shortage, the other is a workforce surplus.

Gap analysis involves looking at three types of interdependent gaps. These are:

- workforce numbers and roles
- skills gaps
- demographic profile.

## WORKFORCE NUMBERS AND ROLES

Workforce numbers and roles can be expressed in terms of headcount or FTEs (full-time equivalents). Both of these are legitimate approaches to considering the workforce, though from a financial perspective, workforce costs are normally referred to as FTEs.

Gaps often indicate an undersupply or oversupply of workers where there is likely to be turnover from resignations, retirements or planned extended leave, e.g. parental leave. Consider roles that are harder to fill, critical roles, or new types of roles that do not currently exist in your workforce or need to be changed to reflect new technologies. It is worthwhile including contractors, casuals and volunteers if your business relies on them to complete work.

## SKILLS GAPS

Skills gaps include the skills and capabilities needed in the future for your business that you may not currently have. This can be addressed by upskilling existing staff or sourcing staff externally. Skills gaps can be related to technology, trades or other specific technical skills and are often difficult to predict.

## DEMOGRAPHIC PROFILE

The analysis of the current workforce may highlight significant trends that require addressing. These may relate to an ageing workforce or diversity imbalances in roles where the workforce does not reflect the community. It may be important to address these trends if they impact on service delivery, recruitment or retention.

# Workforce risk – setting your workforce gap priorities

A workforce gap equates to a level of workforce or business risk. Understanding the level of risk and its potential business impact will help determine whether or not to address the gap. The objective of good risk management is to ensure optimal, balanced and sustainable business performance. Your risk management process should be simple and flexible.

Risk assessment looks at the gaps in workforce supply and demand and considers:

- the likelihood of not being able to fill the gap
- the consequence of not being able to fill the gap
- whether the risk is low, medium, high or severe.

All gaps should be risk assessed against the impact on the business from not addressing them. Conducting a risk assessment will assist you in prioritising your workforce strategies and actions.

Figure 4: Risk matrix



Adapted from <https://www.business.qld.gov.au/running-business/protecting-business/risk-management/preparing-plan/analyse>



### Scenario

You have two **employees who are likely to leave** this year. Mary is a long-term employee who is considering retiring after 15 years of working for your business. Jack has been working with you for two years and is thinking about moving to another town to be closer to his parents as his young family is growing.

Mary's role is office manager, and she keeps the business running smoothly, booking customer appointments, dealing with suppliers, managing the accounts, and generally keeping everyone on track. She is integral to the running of the business and is supported by Jane, who works four hours a day.

Jack's role is a labourer. He is good at his job, is a reliable worker and has good customer service skills. He has also been showing some interest in building his skills up to a technician level. You currently have four other labourers in the business as well.

Using the risk matrix, the likelihood of Mary retiring is likely to very likely. The consequence for your business of her retirement is high to severe. This would indicate this is a workforce issue you must have a plan in place for. Mary's departure would leave a big hole in the business and the impact of her departure could be chaotic.

The likelihood of Jack leaving is possible, but with a moderate consequence for the business. While it would be disappointing to see him go, Jack's possible departure has less of an impact on the business because you have four other labourers and expect that it will be reasonably easy to replace him.

## Finding solutions – developing workforce strategies and actions

Workforce planning strategies and actions can be grouped into four key categories:

- develop your existing workforce skills and capability
- attract new employees to address skills gaps
- retain valued employees
- manage the workforce through business change.

These categories cover a range of activities to help ensure your workforce matches business requirements into the future. Yearly review of your workforce plan will ensure that the business objectives are still relevant. Strategies can also be adjusted in response to workforce and external trends.

Various resources to support you in finding working solutions can be located at: [www.jobsqueensland.qld.gov.au/wpc](http://www.jobsqueensland.qld.gov.au/wpc).

## Develop your existing workforce skills and capability

Investing in the training and development of your workforce is a key strategy that can achieve improved productivity outcomes for your business. It can also improve employee job satisfaction and engagement. There are various approaches available to develop the skills of your workforce. These can include on-the-job training, accredited and non-accredited training, mentoring and coaching, as well as attendance at industry events.

When considering training and development options to invest time and resources in, ensure you are clear on the skills and knowledge required for your business into the future. This includes identifying skills gaps, and how and when the skills will be developed. Workforce development activities can include a focus on improving customer service and interpersonal skills, technical skills, or building leadership capability. Information about training programs supported by the Queensland government can be found at [www.desbt.qld.gov.au/training/employers](http://www.desbt.qld.gov.au/training/employers).

Ensuring the skills and knowledge of employees remains up to date will allow your business to remain productive and competitive in an ever changing business environment.

## Attract new employees to address skills gaps

With increasing competition for skilled employees, attracting the right people is critical for the success of a business. Building, developing and maintaining a positive employer brand and employee experience is an important attraction strategy. A strong positive employer brand indicates that the business is seen as a good place to work. This may include opportunities to develop and learn new skills and career prospects, good leadership, interesting work and good pay.

The employee experience is the alignment between the employer brand and how that translates in actual day-to-day activities. The working environment is increasingly important to people, as they are looking for a workplace where they are valued and treated with respect, have an opportunity to use their current skills and develop new ones, develop good working relationships and have input into how they do their daily work.

There are many ways to connect to potential employees. Preferred web-based recruitment and social media sites are important tools in our current environment to reach out to job seekers. Other strategies include partnering with organisations such as schools, TAFE providers or universities.

## Retain valued employees

Replacing valued staff is a costly exercise. Businesses are faced with recruitment costs, as well as lost corporate knowledge, networks and experience. It takes time for new staff to become fully productive.

There are many reasons employees will consider leaving a business. Understanding the factors that influence employee decisions to stay or leave will assist in putting in place strategies and initiatives to keep valued employees. Finding out why people are leaving, what employees are thinking and what they want can be done through staff surveys, exit interviews and regular conversations.

Employees are more likely to stay with a business if they have a working environment where they are respected and valued, have meaningful work, have good relationships with their supervisors and co-workers, and are provided with opportunities to develop their skills. Workplace arrangements such as part-time work, job-sharing and flexible work options can also assist in retaining employees if there is a change in their personal circumstances that needs to be accommodated in the short or long term. Some of these changes can include needing to care for family members, commencing study or wanting to reduce hours as they prepare to retire.

Understanding specific workforce needs will allow the development of strategies and actions that will support the business to keep valued employees.

## Manage the workforce through business change

Industry transitions occur across the economy, resulting in changing workforce needs for businesses. From a business perspective, this can include the introduction of new technologies, acquisition or loss of a key contract and subsequent impacts on the supply chain, as well as new competitors entering the market. These changes can result in an increase or decline in demand for products and services.

Responding to change is not a 'one size fits all' approach. To get the best outcomes for a business and workforce, anticipating and planning for any significant change is important. Once it is clear what the impact and timing of the change will be, planning can commence. Successful change within a business can be achieved through clear communications; engaging staff in discussions on how best to implement and manage the change; identify skilling, upskilling and reskilling requirements; and providing transitional support to those affected by job changes.

If there are negative workforce impacts, managing affected staff in a compassionate, fair and reasonable manner is important. How individuals are treated during these processes will often influence what they say about your business to family and friends. Remember, these family and friends could be your existing or future customers or potential employees. Some of your employees may also be a member of a union. If this is the case, consider engaging with their union to see if there are other short-term alternatives available that will suit both your employee and business needs.



### IDENTIFY ISSUES AND FIND SOLUTIONS CHECKLIST

I have:

- identified my workforce gaps and understood the workforce risks
- developed potential solutions for the workforce gaps, considering options such as recruiting, on-the-job training, promoting workers and increasing working hours
- prioritised what I need to do to ensure my workforce will be ready to meet my business goals.

STAGE 4

# DEVELOP, IMPLEMENT AND MONITOR





### KEY ACTIVITIES IN THIS SECTION

1. Develop your workforce plan that includes an action plan
2. Implement your workforce plan
3. Monitor and review your workforce plan

## Introduction

Putting your workforce plan in place means recording and implementing the actions you have identified to meet your workforce needs. Workforce plans are 'live' documents, so will need to be updated over time. To achieve this, monitoring and reviewing is important.

## Establish an action plan with timeframes for implementation

An action plan will identify what needs to be done (for example, offering more flexible working hours for staff with families or caring duties), who needs to take charge of it (for example, the general manager), and when it needs to be done. There may be a need for additional resources, for example, training workers in using particular software or redeploying existing staff to accommodate greater flexibility in the workplace.



### TOOLKIT RESOURCE

#### TEMPLATE 5: Detailed workforce plan

This template will allow you develop a detailed workforce plan.

.....

#### TEMPLATE 6: Workforce action plan on a page

This template will allow you to capture your workforce actions on one page.

## Monitor your workforce plan

To determine whether you are dealing successfully with workforce issues, it is useful to set quantitative goals (that is, goals expressed in numbers). For example, in your workforce gap analysis, you may have identified a critical job group with high turnover and discovered that staff have left (or are finding it difficult to stay) because their working hours interfere with family caring commitments. You may have developed a workforce initiative to offer flexible working arrangements to address this issue. A plan such as this to reduce workforce turnover can be evaluated by measuring turnover percentages.

Other useful ways to evaluate your initiatives include:

- **Analysis of targets and actual results:** This includes identifying reductions/increases in workforce turnover and the reasons for them, number of vacancies filled, people trained or labour costs reduced.
- **One-on-one discussions:** Checking in periodically with people in supervisory and frontline positions will give managers a first-hand report of how the business' plans are progressing, and can help to identify where changes need to be made.
- **Informal focus groups:** This involves conducting informal group discussions regarding the business and its direction. This might be done as part of a regular staff meeting.
- **Employee attitude surveys:** Employee attitude surveys allow staff to give confidential feedback on the workplace and the way it functions. For example, questions may be formulated to find out how satisfied people are with their job, how their work/workplace might be improved, and how committed they are to staying with the business in the future. This can provide managers with a good indication of how to improve workplace structures or processes in order to retain the staff they have and to attract the staff they may need in the future.

## Regularly review the workforce plan

Your workforce plan should be reviewed and updated every year as part of the business planning process. Changes in key staff and the intentions of staff need to be reflected in the workforce plan.

Your evaluation of workforce initiatives forms the basis for adjustments or the development of new initiatives. It may also be necessary to redesign the workforce plan in response to changes in the goals of the business or its operating environment. Like business and financial plans, the workforce plan should be a living document, and should be reviewed periodically to ensure it is being implemented and remains current and relevant.

It is important to remember that workforce planning does not need to be complicated, but it does require thought and engagement with your staff.



### DEVELOP, IMPLEMENT AND MONITOR CHECKLIST

I have:

- developed a workforce plan (Refer to Template 5: Detailed workforce plan)
- developed the workforce action plan (Refer to Template 6: Workforce action plan on a page).

# TOOLKIT RESOURCES: FACT SHEETS, CHECKLISTS AND TEMPLATES



## Toolkit resources at a glance

<b>FACT SHEET 1: Workforce planning: A summary guide</b> .....	<b>33</b>
<b>FACT SHEET 2: Calculating your workforce turnover</b> .....	<b>34</b>
<b>CHECKLIST 1: Workforce planning: Am I ready?</b> .....	<b>35</b>
<b>TEMPLATE 1: Who should be involved? Stakeholder planning</b> .....	<b>36</b>
<b>TEMPLATE 2: Knowing your business and workforce</b> .....	<b>37</b>
<b>TEMPLATE 3: Current workforce data and profile</b> .....	<b>38</b>
<b>TEMPLATE 4: Workforce supply, future demand and gap analysis</b> .....	<b>40</b>
<b>TEMPLATE 5: Detailed workforce plan</b> .....	<b>41</b>
<b>TEMPLATE 6: Workforce action plan on a page</b> .....	<b>42</b>



### ACCESS THESE RESOURCES

The Workforce Planning Connect website provides access to:

- an online version of this toolkit;
- downloadable fact sheets, checklists and templates that can be customised to your business; and
- links to other practical workforce planning and development resources and tools.

**To find out more, visit the Workforce Planning Connect website at [www.jobsqueensland.qld.gov.au/wpc](http://www.jobsqueensland.qld.gov.au/wpc).**

# Fact sheet 1:

## Workforce planning: A summary guide

Workforce planning is about planning for your people – the ones who will help your business to deliver products and services to your customers. Similar to business planning, it is a continuous process of understanding your current workforce skills (where you are now), desired skills for your future workforce (where you are going) and your workforce gaps, and developing strategies and actions to close those gaps (how you will get there).

### KEY STAGES



#### 1. GET STARTED

To ensure you are best positioned to have the right people, right skills, right numbers, at the right time and place doing the right things, you need to be clear about your business objectives and goals. It will also be useful to identify external influences on your business such as technology impacts, competitors and local labour market trends. By capturing this information upfront, it helps to articulate the link between your business and workforce requirements.



#### 2. GATHER INFORMATION

##### Determine your current workforce

The current state of your workforce can be portrayed through workforce data. The current analysis should include the most recent data and, if it is available, historical workforce data. While there is no set period for workforce history, as a minimum, data should cover the previous 12 months.

##### Determine your future workforce

Understanding your future workforce needs is about estimating the number and types of employees required to deliver your business plan and goals.

You should be able to identify where your workforce gaps are emerging by comparing your current workforce with your future workforce needs.



#### 3. IDENTIFY ISSUES AND FIND SOLUTIONS

Once you have identified actions that will address your workforce gaps, these can now be put into a plan that prioritises the actions and who, when and how they will get done. It will also be useful to measure the success of the plan through being clear about what success looks like. For example, John has completed his Cert III, has undertaken internal training with Rachel, and can now operate the new cutting machine proficiently and without supervision.



#### 4. DEVELOP, IMPLEMENT AND MONITOR

Once you have prioritised your workforce plan actions, then start communicating the priorities to your workforce and commence implementation. Don't forget to track how you are going against the plan, and regularly review it each time there are changes in your business or employees.



The Workforce Planning Connect website provides all the tips and resources you will need to take the next step on your business's workforce planning journey.

To find out more, visit the Workforce Planning Connect website at [www.jobsqueensland.qld.gov.au/wpc](http://www.jobsqueensland.qld.gov.au/wpc).

# Fact sheet 2: Calculating your workforce turnover

## WHY MONITORING WORKFORCE TURNOVER IS IMPORTANT

Workforce turnover can have a negative impact on your business in relation to productivity, customer service, cost and efficiency. It also often means a loss of business knowledge around customer history, internal processes and customer relationships, and can result in extra workloads for remaining employees.

Most workforce turnover costs can be hidden, so it is often hard to quantify the actual cost to the business. Costs may include:

- departing employees with accrued leave that needs to be paid out
- recruitment, including costs of advertising and recruitment agency fees
- new hires, including time spent reviewing applications, interviewing applicants, and any relocation costs
- productivity losses, including work that is incomplete or delayed due to an empty role, and time spent inducting new employees.

Workforce turnover can also be helpful to your business. It provides an opportunity to identify what could be done differently across various roles and consider how new people can bring new ideas that will benefit your business.

Each industry and business has an average workforce turnover rate, and you need to consider what the right level of turnover is for your business. When you understand what your turnover rate is, you can anticipate and plan for this in your workforce plan.

### To examine the cause(s) of your workforce turnover:

1. conduct an exit interview with staff who are leaving the organisation to identify any common reasons that may be easy to address in the future
2. conduct regular staff satisfaction surveys to monitor and track how staff are feeling and if they are considering leaving.

## CALCULATE YOUR TURNOVER PERCENTAGE

Average number of employees	Calculations
Add the number of employees at the beginning of the period (at the beginning of a calendar or financial year) (e.g. 31) with the number at the end of the period (e.g. 25) and divide by 2	$(31+25)/2$ $= 56/2$ $= 28$
Average number of employees = (number at the beginning + number at the end) divided by 2	28
Turnover rate	
The number of employees who left your business in the same period	12
Multiply the number of people who left by 100 and then divide by the average number of employees in the same period	$(12 \times 100)/28$
<b>Turnover rate</b>	<b>42.85%</b>



# Template 1: Who should be involved? Stakeholder planning

This template will assist you in identifying who you should include in your workforce planning activities.

## Things to consider:

- Who are your stakeholders, based on the scope and scale of your workforce planning?
- What is their role in relation to workforce planning?
- Who are the key decision-makers?
- How can they best be involved?
- How much time can they commit to the process?

## Suggestions on who to involve:

- A diverse mix of management and employees who represent various business levels, functional areas and locations
- Line managers who oversee areas with critical hiring needs
- Line staff, including both new hires and employees with more experience
- A mix of age (including youth and mature age), gender, cultural background, declared disability
- Dedicated and knowledgeable staff
- Staff with specific expertise needed to implement a workforce plan, such as HR, IT and finance
- Union representatives

## Template example

Who is to be included:	Why am I including them:
E.g. Bill Murray – Production Manager	Understands the skills needed on the shop floor

## Template 2: Knowing your business and workforce

Use this questionnaire to reflect on your current business state and on your existing or future workforce. This information will provide key input to the workforce plan for your business.

### Business strategy and direction – where are you going?

Questions	Responses
What are your key business goals for the next three years?	
What are your key priorities for the next 12 months?	
How will you know if the business is successful?	
What are the key factors that will achieve business success?	
How will you measure success?	
What major obstacles will the business face while striving to reach these objectives?	
What will need to be changed or realigned to achieve business priorities?	
What are your workforce strengths that will help achieve the strategy?	
What are the most significant changes (recent or projected) in your business or workforce?	
Are any of the following likely to affect your business over the coming years (1-3+ years)? If so, what will be the effect on the workforce?	
<ul style="list-style-type: none"> <li>○ Changes in strategy or direction</li> <li>○ Significant cost reductions</li> <li>○ Outsourcing</li> <li>○ Implementing new technology/technology changes</li> <li>○ Changing customer expectations or requirements</li> <li>○ New lines of business or products</li> <li>○ Improvements in efficiency</li> <li>○ Changes in government policy or legislation</li> <li>○ Economic trends</li> <li>○ Environmental issues</li> <li>○ Other _____ (specify)</li> </ul>	

### Understanding the current business – SWOT

What are the competitive strengths of your business?	
What are the major weaknesses of your business?	
What are the biggest opportunities that you see today for your business?	
What are the biggest threats you see today for your business?	



## TEMPLATE 3: CURRENT WORKFORCE DATA AND PROFILE CONTINUED ...

### HOW TO COMPLETE

- Populate the table with your relevant workforce information.
- You may already have recorded some of this information elsewhere so it will be easy to locate.
- You may need to talk to your employees or their managers to gather other information.

You may decide that you only want to work with what information you know at this stage. That's OK, though you may miss an opportunity to gain knowledge about your workforce and how your business may benefit from that.

### SOME NOTES ON THE DATA THAT YOU ARE COLLECTING

**Location:** if your business is located across multiple sites, you can identify at which site each employee is located.

**Date commenced:** the date the employee commenced working with your business.

**Pay level:** this can be used to reflect the different classification or award levels that your employees are paid at.

**Employment status (headcount):** understanding how you have structured your workforce is important when considering your workforce risks and potential actions. This should always be 1 under the correct type of employment.

**Full-time equivalent (FTE):** this is a common term from an accounting perspective. Calculating an FTE is simple.  $FTE = \text{total number of hours worked at ordinary pay rates} / \text{total number of available hours at ordinary pay}$ . For example, the award on which you pay your employees states that the standard working week is 38 hours. Jason is scheduled to work 38 hours, plus any overtime. Jason is 1 FTE = 38 hrs/38 hrs. Carol is scheduled to work 25 hours per week. Carol is 0.66 FTE = 25 hrs/38 hrs.

**Years in role:** this can be different to the years in your business. It can indicate a new role for that person, or if they have been in the same role for a while, they may be wanting a new challenge.

**Job family:** people can belong to the same job family even if they have different position titles. For example, your lead hand and production technician are both boilermakers. This will assist in understanding your workforce's core skills.

**Qualifications:** any qualifications, tickets or licences can be captured here. This will assist in identifying potential training needs, and in understanding each employee's skills and knowledge.

**Workforce cost – wage/salary:** annual wage or salary.

**Workforce cost – overheads:** include superannuation, leave loading, training costs etc.



# Template 5: Detailed workforce plan

## Introduction to the workforce plan

## Aims and objectives of the workforce plan

## Business or workforce constraints that have been identified

## Assumptions that have been made

## Business goals for the next \_\_\_\_ months/years

## Business opportunities and challenges

## What does success look like?

## Key workforce information

## Key workforce risks

## Workforce strengths, opportunities and challenges

## Monitoring and evaluation







**Jobs  
Queensland**

Future skills. Future workforce.

[jobsqueensland.qld.gov.au/wpc](https://jobsqueensland.qld.gov.au/wpc)