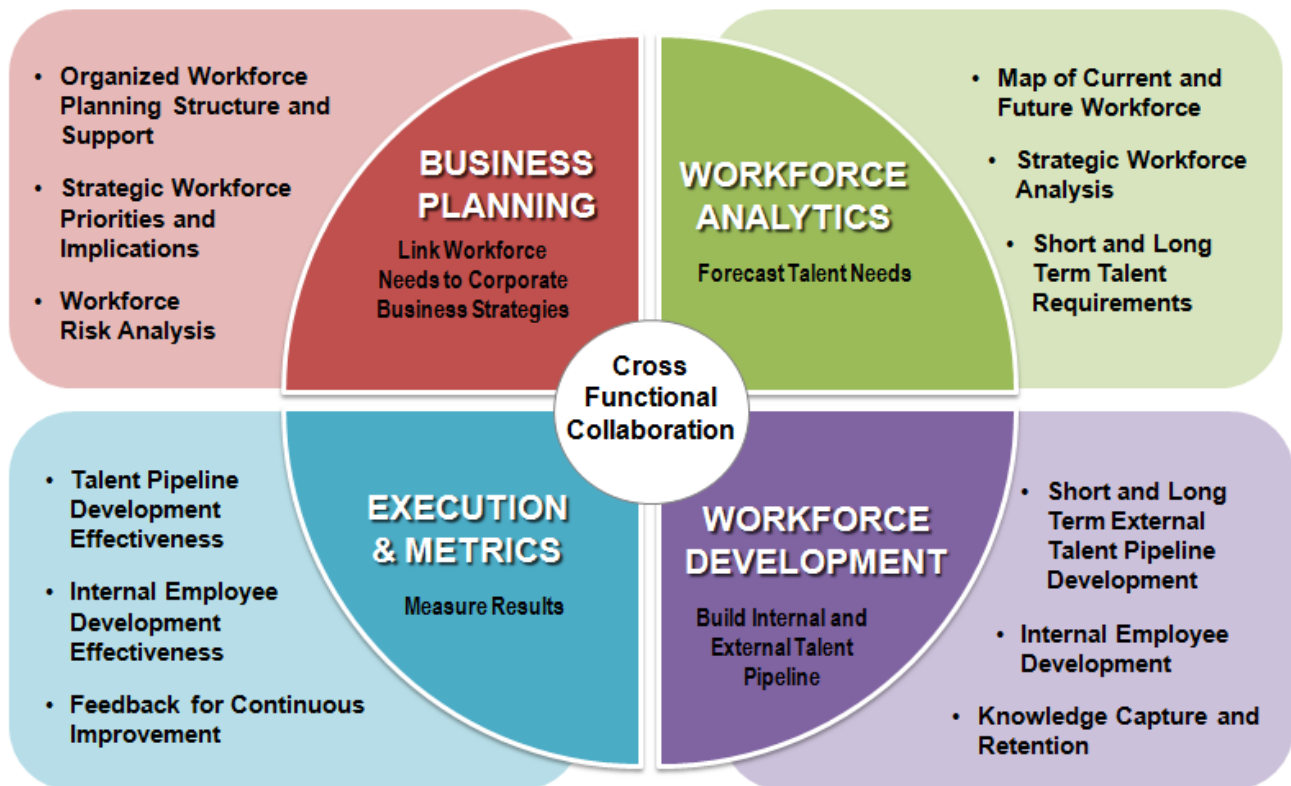# Essential Elements of Strategic Workforce Planning

Workforce planning is a critical component of strategic planning, both at the corporate and business unit level. Having the right number of employees with the right skills when they are needed is a key component to the viability and profitability of a corporation. This document summarizes the four essential elements of strategic workforce planning and the steps to be taken in each phase. The process can be used to develop a comprehensive workforce plan for a corporation, to develop a state workforce plan for a State Energy Workforce consortium, or to create a plan for a specific strategic initiative like increasing diversity or military veterans in the workforce.

Strategic Workforce Planning should be done with a cross-functional team that includes individuals currently involved in workforce planning, human resources, technical training, recruitment and executives from Operations, Human Resources, Finance and Communications. The overall result of these efforts should be a clear understanding of what the company will need to do to create a skilled workforce to meet the current and future organizational demands.

The Strategic Workforce Planning Wizard, available to members on the CEWD website, provides resources and tools to help with the analysis, documentation and communication of workforce requirements as well as details for each step in the process. CEWD has also developed the Get Into Energy Career Pathway model that provides a framework for developing a qualified and diverse talent supply pipeline for skilled utility technicians.

Essential Elements of Workforce Planning

BUSINESS PLANNING
Link Workforce Needs to Corporate Business Strategies

- Organized Workforce Planning Structure and Support
- Strategic Workforce Priorities and Implications
- Workforce Risk Analysis

WORKFORCE ANALYTICS
Forecast Talent Needs

- Map of Current and Future Workforce
- Strategic Workforce Analysis
- Short and Long Term Talent Requirements

EXECUTION & METRICS
Measure Results

- Talent Pipeline Development Effectiveness
- Internal Employee Development Effectiveness
- Feedback for Continuous Improvement

WORKFORCE DEVELOPMENT
Build Internal and External Talent Pipeline

- Short and Long Term External Talent Pipeline Development
- Internal Employee Development
- Knowledge Capture and Retention

Cross Functional Collaboration

Quadrant 1: Business Planning
Link Workforce Needs to Corporate Business Strategies

There are influences at the national, state and corporate level that can have significant implications for the size, skills and timing of workforce needs. Understanding these "game changers" along with the readiness of the company to address these strategic workforce priorities is the critical first step in developing a strategic workforce plan.

The Business Planning phase is designed to answer the following questions:

- Organized Workforce Planning Structure and Support
- Strategic Workforce Priorities and Implications
- Workforce Risk Analysis

BUSINESS PLANNING
Link Workforce Needs to Corporate Business Strategies

- Does your company have the people, processes and support in place to implement Strategic Workforce Planning?
- What are the internal and external game changers affecting our business?
- What are the workforce requirements to address current and future business strategies?
- What new skills will be required?
- What are the critical jobs that need to be analyzed?
- What are the risks?

Outcomes:
- Organized workforce planning effort including gaps, priorities and responsibilities.
- Impact of Game Changers, strategic considerations and priorities on talent requirements
- Workforce Risk Analysis

Who needs to be involved? Human Resources, Senior Leaders from Operations, Finance, Philanthropy, Communication, Community and/ or Economic Development, External Affairs

Company Actions
1. Create corporate workforce planning structure and organize efforts.
2. Conduct a readiness assessment of the organization capability to prepare a short and long term workforce plan.
3. Understand the Corporate Business Strategy and the impact of Strategic Game Changers that will affect the business unit and impact the workforce.
4. Determine the short and long term workforce implications of strategic direction and priorities.
5. Compile report of findings.

Deliverables / Products
- Business Strategic Priorities
- Game Changers / Implications
- Critical Jobs / Impacts
- Workforce Readiness Gaps (for Action)
- Workforce Planning organization, processes, procedures
- Workforce Risk Assessment
- Strategic Workforce Plan Outline

Quadrant 2: Workforce Analytics
Forecast Talent Needs

The level of detail in this phase depends on the size of the organization and the resources available, but all companies need to have sufficient data to make informed decisions on who, what, when, where and how many employees will be needed to implement the corporate strategic plan.

The Workforce Analytics phase is designed to answer the following questions:

- What are the critical workforce trends?
- What is the turnover in each critical job family and why?
- Where will new employees and new skills come from?
- Is the organization prepared to fill workforce requirements?

WORKFORCE ANALYTICS

Forecast Talent Needs

- Map of Current and Future Workforce
- Strategic Workforce Analysis
- Short and Long Term Talent Requirements
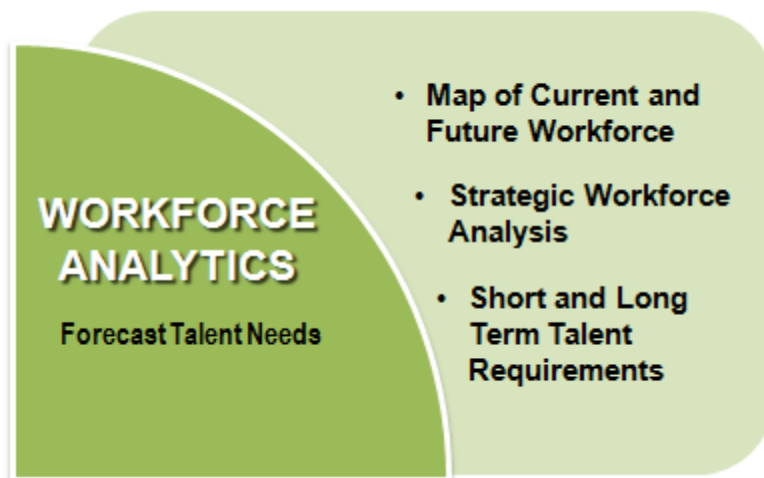
Outcomes

- Map of current and future workforce
- Strategic Workforce Analysis
- Short and long term talent requirements

Who needs to be involved? Workforce Development Council, HR personnel responsible for development of analytics, responsible for HRIS, and for reporting

Company Actions

1. Convene the workforce planning advisory structure and review and seek guidance on the output from Quadrant 1.
2. Develop data and reporting requirements
3. Using a staffing level forecast model, project staffing levels by job and by organization. Consider scenario planning to develop a range of requirements.
4. Conduct knowledge risk assessment including skills of current employees who might require re-training.
5. Conduct a high level assessment of need based on lead time, forecasted demand and strategic
6. Identify potential short and long term workforce gaps using HR strategy and identified workforce priorities.
7. Prepare a five year talent requirement plan.
8. Review with the workforce planning advisory structure and Senior Management.

Deliverables / Products

- Dashboard and Report designs
- Job Family Feeder Analysis
- Five Year Projected Staffing Levels for critical Jobs (Hiring Plan)
- Knowledge Risk Assessment
- Supply Assessment
- Contractor Demand analysis
- Demographic breakdown
- Talent Requirement Plan

Quadrant 3: Workforce Development
Build Internal and External Talent Pipeline

The data and analysis from Workforce Analytics drives the development of action plans for Workforce Development. This phase balances the demand requirements expected due to attrition and growth with both internal (succession planning and employee development) with external (community colleges, outreach programs and secondary schools, military) sources.

WORKFORCE DEVELOPMENT

Build Internal and External Talent Pipeline

- Short and Long Term External Talent Pipeline Development
- Internal Employee Development
- Knowledge Capture and Retention

The Workforce Development phase is designed to answer the following questions:

- Are career pathways and required credentials clearly defined and communicated?
- What is the current supply of potential candidates within the state or region that can be tapped?
- What are available sources of candidates?
- Are new programs required at local schools to address demand and potential new skills?
- What actions will the company take to create the desired talent pipeline?

Outcomes
- Short and long term external Talent Pipeline Plan and Implementation
- Internal Employee Development Plan and Implementation
- Knowledge Capture and Retention strategy

Who needs to be involved? Technical Training, workforce development, community development, recruiting, philanthropy, communication, operations hiring managers

Company Actions
1. Analyze workforce supply and demand by job category.
2. Define career pathways and credential requirements for critical jobs.
3. If required, develop and implement strategies for contracting and /or outsourcing.
4. Identify educational institution partners.
5. Develop and implement a recruiting plan for talent needed within current year.
6. Develop and implement an external talent pipeline strategy that includes short and long term action plans for Career Awareness, Education and Career Readiness.
7. Build an internal pipeline of candidates.
8. Develop and implement a process for capturing the knowledge from those in knowledge critical positions or employees eligible to retire.

Deliverables / Products
- Career Pathways documentation for critical jobs
- Credentials / Assessments defined for hiring
- Current Recruiting Plan
- National Energy Education Network List
- Workforce Pipeline Management template (Arizona)
- Knowledge Transfer and Retention Program Documentation

Industry Solutions–Regional Implementation

Quadrant 4: Execution & Metrics
Measure Results

Continuous monitoring of progress toward short and long term goals ensures that plans are accomplished and provides a foundation for continuous improvement in the recruitment, hiring, and retention of candidates. CEWD has defined the value proposition and metrics for each stakeholder in the workforce development process along with suggested metrics that can be used to evaluate individual pipeline initiatives.

- Talent Pipeline Development Effectiveness
- Internal Employee Development Effectiveness
- Feedback for Continuous Improvement

EXECUTION & METRICS

Measure Results

The Execution & Metrics phase is designed to answer the following questions:
- How accurate is the forecasting process when measured against actual hires and attrition?
- How well are the pipeline organizations working in terms of quantity, quality and diversity of candidates?
- Are there enough candidates being sourced from pipeline programs and other strategic initiatives?
- Are the company's workforce development processes yielding the desired results?

Outcomes
- Metrics to evaluate effectiveness of workforce development efforts (Process Metrics)
- Metrics to evaluate effectiveness of internal employee development initiatives. (Output Metrics)

Who needs to be involved? Workforce Development Council, HRIS team, Recruiting, Education partners, Human Resources

Company Actions
1. Reach agreement on the value statements and metrics for evaluating workforce development efforts.
2. Define the process and responsibility for collecting the data.
3. Develop report, scorecard, or dashboard formats, audience and timing of progress reporting.
4. Compile data and prepare report or dashboard.
5. Solicit feedback and make changes to improve the process.

Deliverables / Products
- Value Metrics and reporting
- Success Measures and reporting
- Process Measures / Output Measures
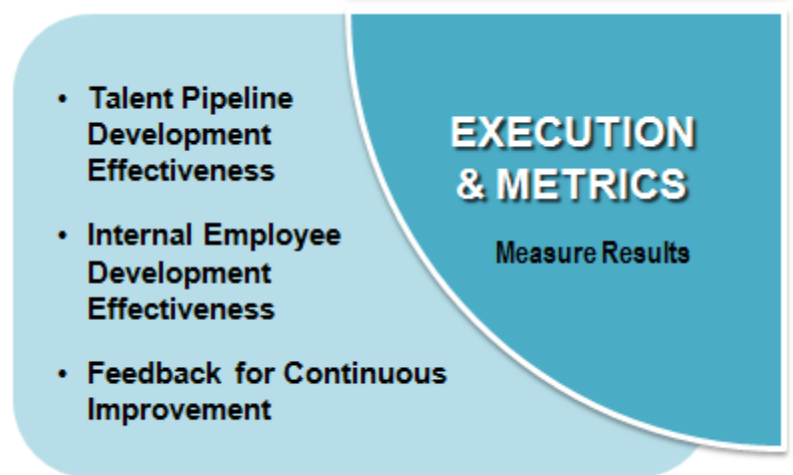
About CEWD

The Center for Energy Workforce Development (CEWD) is a nonprofit consortium of electric, natural gas, and nuclear utilities; their associations—the Edison Electric Institute (EEI), American Gas Association (AGA), American Public Power Association (APPA), Nuclear Energy Institute (NEI), and National Rural Electric Cooperative Association (NRECA); and their unions—the International Brotherhood of Electrical Workers (IBEW) and the Utility Workers Union of America, AFL-CIO (UWUA).

CEWD was formed to help utilities work together to develop solutions to the coming workforce shortage in the utility industry. It is the first partnership among utilities, their associations, contractors, and unions to focus on the need to build a skilled workforce pipeline that will meet future energy needs.

To learn more about CEWD, please visit www.cewd.org or www.getintoenergy.com.