Demographic change, ageing and the workforce: An integrated model to inform workforce development and planning in Australia.

WORKFORCE DEVELOPMENT – STRATEGIES AND LESSONS: CASE STUDY REPORT

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CONTENTS

1   Introduction: Project purpose and context

As awareness of the workforce development challenges facing Australia increases, public and private sectors organisations are initiating various workforce planning projects. Understanding the characteristics of these and learning from this experience is the purpose of this report. The report is one outcome from the *Demographic change, ageing and the workforce: An integrated model to inform workforce development and planning in Australia* project funded by the Australian Research Council with support from the Department of Further Education, Employment, Science and Technology and the former Office for Public Employment. The project sought to increase our understanding of the impact of demographic change and ageing on the workforce. Despite increasing research about workforce development and increasing application of workforce planning by employers, there is a lack of consensus about what constitutes workforce development and a limited understanding of successful workforce planning models. The project responds to this challenge by addressing the need for better informed workforce development.

This project relates directly to the ARC's national research priority - *Ageing well, ageing productively*. More specifically, it focuses on the concern amongst policy makers that demographic change and ageing of the population will make it increasingly difficult for employers to attract and retain suitably qualified and skilled personnel. Ensuring the availability of suitably qualified, skilled and energetic employees is likely to be one of the most significant workforce challenges facing government and industry in Australia over the next twenty years.

1.1   Defining workforce planning and workforce development

Although the practice of workforce planning is long standing, the term 'workforce planning' is relatively recent, the concept having re-emerged as governments, firms, human resource practitioners, industry bodies and, to a lesser extent, academic researchers have realised its relevance in the face of a number of workforce challenges discussed in the course of this report[1].

> *Whilst workforce planning has been around for a number of years, there has been a recent resurgence of interest in this HR practice as organisations have begun to realise that the need for planning is greater than ever* (IES: 2003)

Workforce planning[2] gained currency in the post-World War II when significant growth occurred in investment in higher education (Spoehr, Carson & Windsor: 2007). It had significant development in the 1960s and 1970s which was a period of relative economic stability in most western countries, with low unemployment levels and shortages of labour supply (see Reilly 1996, cited in IES 2003). During the 1980s, the combined impact of economic downturn and a failure to demonstrate the link between workforce planning and economic and business outcomes led to its demise (see Sullivan 2002, cited in IES 2003; Spoehr, Carson & Windsor: 2007). Despite its fall from grace during this period, workforce planning has continued to be used in varying degrees within some industry sectors, particularly for occupations with a high social utility, such as doctors, nurses and teachers. Australia, together with many other

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[1] According to the UK Institute for Employment Studies (IES 2003) "it is important to note that the academic literature on this area is scarce" and "the renewed interest amongst practitioners is yet to be matched by academics."

[2] During this period the practice was generally referred to as 'manpower planning'.

countries, has a long history of planning for these occupations (Spoehr, Carson & Windsor: 2007).

Recent applications of the workforce planning concept emphasise integrating workforce planning into business planning, rather than as a parallel stream that focused on organisational structures and management systems supported by complex forecasting and other quantitative tools. Today's workforce planning uses both quantitative and qualitative methodologies, and is appropriate in a variety of organisational settings (IES: 2003, Spoehr, Carson & Windsor: 2007).

There are numerous definitions of workforce planning, most of which focus on the need to develop workforce capacity and the value of doing this. For example -

> *Workforce planning is the strategic alignment of an organization's human capital with its business direction. It is a methodical process of analysing the current workforce, identifying future workforce needs, establishing the gap between the present and future, and implementing solutions so the organization can accomplish its mission, goals, and objectives.* (IPMA, 2002: vi)

> *… the education, employment, and job-training efforts designed to help employers to get a skilled workforce and individuals to succeed in the workplace* (Jacobs: 2002).

> *Put simply, workforce planning is a continuous future focused process of shaping the workforce to ensure it is capable of delivering organisational objectives* (Spoehr, Carson & Windsor: 2007).

Sometimes the terms 'workforce planning' and 'workforce development' are used interchangeably but there are significant differences between the two, even though they are inter-related processes. Spoehr, Carson & Windsor (2007) have explained the distinction as one of process and focus -

> *Workforce planning underpins the broader human resource processes and policies of organisations. These, in turn, sit within a broader workforce development framework. A workforce development approach is explicitly directed at improving the links between workforce and business development: on those actions which can help attract and retain workers and improve productivity across the skill and occupational spectrum. Such an approach recognises that there is a broad range of policies, systems and structures which – when used together – can create and sustain the workforce.*

1.2   Underpinning best practice principles

There are many guides, frameworks and tools for workforce planning available, but most share a set of related underlying principles. A review of the research literature and consultations with workforce planning practitioners[3], shows that the process adopted is more important than the tools used. The key feature of the approach adopted is that it should be *tailored* to meet the needs of the organisation, and sufficiently *flexible* to allow for change. According to the UK Institute for Employment Studies IES:

> *It is important that workforce planning is not seen as being able to predict the future or organisations will end up disappointed. Rather, it should be seen as setting the*

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[3] This and the following section of the paper draw upon a body of work undertaken recently in South Australia identifying the prevalence and quality of workforce planning tools and practitioners (see Spoehr, Barnett & Parnis: 2007).

longer-term context for business issues and providing a decision filter through which other plans can pass (IES: 2003).

A tailored and flexible workforce planning process is also one that is *aligned with the organisation's goals and vision*, and *integrated with business planning*. It is important to conceptualise workforce planning and development as having a direct relationship with economic development, with the bridge between being provided by education and training. Ideally workforce planning should seek to address employer and employee needs simultaneously, enabling workers (or potential workers) to undertake skills training that meets identified employer and industry need.

> *… economic development and workforce development are two sides of the same coin, and therefore their strategies and activities need to be aligned.* (National Governors Association Center for Best Practices, 2005: 2)

The process adopted must also be designed to achieve *engagement* with senior management and other decision makers, reinforcing the link between workforce and business planning, and ensuring ownership of the directions set by the plan. Engagement of the workforce in the process is also essential to ensuring that the strategy captures workers' needs and preferences, as well as their active participation in the collection of workforce data (Spoehr, Carson & Windsor: 2007).

In Australia, Buchanan (2006) provides details of workforce development pilot programs being delivered in conjunction with a range of industries, States and stakeholders. One of the observations in this study was that successful pilot programs have invariably *involved a wide range of stakeholders* including industry associations, enterprise and workplace managers, VET providers, industry skills councils and education authorities.

One of the most useful models deriving from international practice is the **State Leadership in the Global Economy Project** (NGA Center for Best Practices: 2004). This was designed to assist governors of six American States[4] to develop the policy infrastructure and strategies needed to assist workers and businesses to remain competitive in a global economy. There were two separate but intersecting projects at the core of this initiative – the *Cluster-based Economic Development* project and the *Next Generation of Workforce Development* project.

These were the key lessons that emerged from the '*Next Generation of Workforce Development Policy Academy*' initiative. It is important to -

❑ *Align workforce development and education with economic development*. This requires a clear understanding of the industries in the State and a common understanding of the knowledge and skills required to compete successfully. Each of the six States understood the importance of developing a **common agenda** between their workforce and economic development programs. This agenda identified key industries and their skill needs.

❑ *Build an education and training 'pipeline' to supply industry with skilled workers.* This requires **seamless connections** between the different sources of education and training (eg secondary and post secondary) and between these sources and the workplace. The 'one-stop-shop' model can provide one means of achieving this outcome. Another model identified by the Project involves *Regional Skill Alliances* (RSAs) which are networks of firms that collaborate to acquire or reduce the costs of worker training programs.

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[4] Idaho, Missouri, Montana, New Jersey, Ohio and Virginia

❑ *Expand opportunities for continuous learning.* To do this requires the building of **partnerships** between business and education and training providers so that workers have the opportunity to continuously upgrade their skills and knowledge. It also requires partnerships between education and training agencies, workforce development agencies and economic development agencies.

❑ *Build career pathways for workers.* This involves marrying the needs of **employers** (and more broadly of industry) with those of individual **workers** (rather than leaving the responsibility of career development with either individuals or companies). It requires precise information about labour market needs and about learning opportunities, and ready access to different levels of education and training. This information is extremely pertinent in relation to workers who are approaching retirement as it can prevent sudden withdrawal of skilled labour through complete retirement by enabling phased retirement negotiated between employees and employers. An incentive for employees in such negotiation is likely to involve flexible working conditions. It also includes the provision of opportunities to low wage, less skilled workers to obtain further training and career development which also meets identified industry shortages.

❑ *Strengthen the governance of workforce programs through outcome measures that are system-wide and tied to the economic goals of the State*. A key barrier identified to achieving this is a lack of **cross-system performance indicators** that demonstrate the individual and collective contribution to State economic goals. One solution was found to involve identifying a common set of measures across programs and using tools such as, performance score cards, to report on the measures. The involvement of multiple organisations in providing education and training, often with competing priorities, makes it difficult to achieve system wide accountability for workforce development, and for individual programs to be connected. Individual workers can be deterred by the absence of seamlessly linked education and training, while employers can be deterred by the administrative complexity associated with multiple provision.

1.3   The case study component of the project methodology

One of the *Demographic change, ageing and the workforce* project's six methodological components has been to examine a range of workforce development and planning case studies. The purpose of the case study research has been to make a contribution to identifying what range of workforce development and planning responses are emerging and examine what we might learn from this experience in the context of 'best practice' approaches to workforce development and planning.

1.3.1   Selection of the Case Studies

The selection of the case studies was guided by the following criteria –

⇒   Industry-wide
⇒   State-wide
⇒   Local or regional level
⇒   Public or private sector
⇒   Single sector or multiple sectors
⇒   Single organisation or multiple organisations within the same sector.

The eight case studies are at different stages of development, represent a range of industries and sectors and have adopted different approaches to workforce planning and development. However, they have faced many shared challenges from which a number of lessons have emerged and are transferable to other sectors and locations. This report draws together those findings.

1.3.2 Summary of the Case Studies

All of the case studies have involved the formulation of workforce planning and development strategies in response to broader demographic change and changing skill requirements, but each has a different focus and different approach to addressing those challenges. *Table 1* summarises the key features of each. The two initiatives supported by the *Workforce Development Fund* and are indicated with an asterisk.

Table 1: Summary of the Case Studies

Case Study #	Title	Comment
1	*DFEEST Workforce Development Platform*	Developed by and for the workforce of the Department that has responsibility for South Australia-wide workforce development.
2	*South Australian Wine Industry Workforce Development Strategy**	Based on collaboration between the SA government and the wine industry, between the public and private sectors.
3	*A Framework to support Workforce Development in the Early Childhood Development Service Sector*	A workforce development strategy designed to work across three sectors (health, education, children's services) at two levels (policy/planning and delivery) and at government and non-government levels.
4	*Workforce Planning and Development in the Mental Health Services Sector**	Documents workforce planning and development in response to government policy changes involving a shift from institutional towards community based care.
5	*Home and Community Care (HACC) Workforce Planning and Development*	Based on collaboration between the state government and non-government sectors.
6	*Transport Storage and Logistics Industry, North West Region of Adelaide, Workforce Planning and Development**	Developed for the three sectors of the Transport Storage and Logistics industry and applied at a regional level. Based on collaboration between local, state and federal government, and between the private and public sectors.
7	*Department for Transport Energy and Infrastructure Workforce Plan*	A state government agency approach to workforce planning and development that addresses some of the issues facing the transport industry (mirrored in Case Study 6) and develops a framework to enable planning at the organisational level and individual divisional level.
8	*Workforce Planning and Development in Local Government – a Collective Case Study of Four Local Government Authorities*	A combined analysis of four local government area workforce planning and development initiatives undertaken by a specialist intermediary. Two initiatives occurred in South Australia, one in NSW and one in Victoria. Two occurred in rural locations and two in metropolitan locations.

Case Study 1 – the Department of Further Education Employment Science and Technology (DFEEST) *Workforce Development Platform to 2010* studies the development and application of a systemic approach to workforce development in the South Australian Government agency with primary responsibility

for state-wide VET and employment development systems, and workforce development. DFEEST is responsible for developing and driving the implementation of the State's Workforce Development Strategy - *Better Skills Better Work Better State* (July 2005). The agency is also seeking to provide leadership within the State by becoming a model itself in the application of workforce development.

Case Study 2 involves the first stage of a workforce development strategy for the South Australian wine industry that was based on collaboration between the State government and the industry. The strategy responds to a period of extensive transformation that saw the industry evolve from a predominantly domestic focus to a dynamic export driven focus, in an environment of intense international competition. It was funded by the *Workforce Development Fund* of DFEEST. As with Case Study 6, the strategy is designed to reflect local, national and international drivers of workforce development.

Case Study 3 documents a three tier framework working at the community services and health industry level, the early childhood development sector level, and the Children's Centre level. The framework also works across three State Government portfolios – health, education and children's services and is based on collaboration between the state government and non-government sectors. It developed a workforce planning and development matrix-based framework to support this multiple level strategy.

Case Study 4 encompasses the first stage of a three part project investigating the workforce development needs of the community mental health sector (non-government) workforce in South Australia. As with Case Study 5, policy and sector reform has involved a shift from institutional to community care, resulting in the demand for a larger and differently skilled workforce. The research was undertaken by the South Australian Health and Community Services Skills Board (SAHCSSB) and funded by the Government of South Australia through the *Workforce Development Fund* of DFEEST.

Case Study 5 documents a South Australian project involving workforce planning and development for the Home and Community Care (HACC) South Australian workforce. This is the workforce that provides home and community based care for older people, people with a disability and their carers. The majority of HACC funded services involve aged care. With the shift in emphasis in ageing and disability policy and community preferences from institutional to community aged care, the HACC workforce has experienced steady growth, which is projected to continue. Mindful of the need to develop workforce capability, the South Australian Government's Office for the Ageing commissioned a series of workforce planning and development reports on the HACC workforce in 1999, 2002 and 2006.

Case Study 6 documents a South Australian project involving workforce planning and development for an industry - the Transport Storage and Logistics Industry (TSLI) – applied at regional level - the North West Crescent of Adelaide (which includes a key shipping, road and rail transport hub). The project was funded by the City of Port Adelaide Enfield, the Federal Department of Transport and Regional Services through the Australian Government's Regional Partnership Programme, with partnership funding from the South Australian Department of Further Education Employment, Science and Technology.

Case Study 7 explores workforce planning and development undertaken for the Department of Transport Energy and Infrastructure which shared some of the challenges faced by the transport industry and explored in Case Study 6. As with Case Study 3, it involved the development of a matrix-based template that enabled workforce planning and development at the agency level and at the Division level, combined a bigger picture focus with a more detailed focus.

Case Study 8 combines the workforce planning and development strategies of four local government authorities that were undertaken by Julie Sloan Management Pty Ltd, a specialist in this area. Two authorities were located in regional centres and two were located in metropolitan settings. One was based in NSW, one in Victoria and two in South Australia. The authorities shared similar workforce challenges.

The framework shaping the selection of case studies is summarised in *Table 2*.

Table 2: Sample framework for the Case Studies

Case Study	Industry (Focus)	Sector		Sector		Organisation	
		Public	Private	Single	Multiple	Single	Multiple
1. DFEEST Workforce Development Platform	Government Admin - Education (state-wide)	X			X	X	
2. Wine Industry Employment Strategy	Wine and Viticulture (state-wide)		X	X			X
3. Workforce Development Framework for Early Childhood Services	Community Services & Health Education (state-wide)	X	X		X		X
4. Mental Health Services Sector Workforce Planning & Development	Community Services & Health (state-wide)	X		X			X
5. HACC Workforce Planning	Community Services & Health (state-wide)	X		X			X
6. Transport Storage & Logistics (TSL) Workforce Planning	TSL (Regional)		X	X			X
7. DTEI Workforce Plan	Government Admin Transport Energy (state-wide)	X		X		X	
8. Local Government Workforce Planning	Local government (local and regional)	X		X			X

1.4   The national context for the case studies

Like many other western countries, Australia faces the challenge of effectively responding to demographic change and workforce ageing, and the need for ongoing workforce skill development. The preparation of workforce development strategies is being pursued by an increasing number of governments around the world, as the impact of lower fertility rates, longer life expectancy and ageing of the population begin to be understood.

Workforce development in Australia has gained additional prominence through the *Council of Australian Government* (COAG) communiqué on human capital (COAG: 2006). The communiqué notes:

> *…. with an ageing population, there will be relatively fewer Australians of working age. To avoid putting too great a burden on those already in work, more Australians need to realise their potential by entering or rejoining the workforce. At the same time, in the face of intense global competition and changes in technology any reduction in workforce participation needs to be offset by improvements in the ability of the workforce and in productivity.*

COAG's *Human Capital Reform Agenda* is based on the premise that a healthier, more skilled, competent and motivated population is the key to future prosperity through enhanced productivity, participation and population growth.

The Australian Government Department of Employment and Workplace Relations' *Workforce Tomorrow* Report (DEWR: 2005) highlights the magnitude of the workforce development challenges facing the nation over the next decade. Three of the challenges identified involve –

- o   the ageing of the workforce
- o   skill shortages and
- o   a 'tight' labour market.

Other trends that are also driving the need for workforce planning and development include:

- o   The rapid pace of technological change creating shortages of new skills and making other skills obsolete; and
- o   Increasing pressure for workplaces to facilitate work/life balance.

In such a complex and evolving landscape, workforce planning and development is of critical importance.

> *Ensuring a sufficient number of workers with the appropriate skills to support the economy has long been recognised as a fundamental workforce development challenge, and many nations, including Australia, the United Kingdom and Canada have national skills development policies and frameworks. As the broader impact of demographic change and ageing on the workforce becomes better understood, the focus of these policies will need to change* (Windsor *et al:* 2005).

Driven largely by the combined impact of international competition and new technologies, there has been a substantial shift in the Australian labour force towards employment in occupations and industries requiring high levels of skill. Employment forecasts for 2016 show a shift towards high-skill occupations (Shah & Burke, 2006: 1). The Productivity Commission estimated that in 2000, more than half of all jobs required post-secondary qualifications, compared with less than 40% of jobs twenty years earlier (ACOSS: 2007; Productivity Commission: 2002). The

Australian Industry Group has estimated that 86% of occupations now need a post school qualification (ACOSS: 2007: 3; Ai Group: 2006).

At the national level, these trends are projected –

- o   The proportion of the national population aged over 65 **will almost double** to around 25% over the next 40 years.
- o   Between 2002 and 2011, three-quarters of the growth in the working age population will occur in the 45-64 age group.
- o   Three-quarters of the working age population will be aged 45-64 by 2011.
- o   **33**% of the workforce is expected to retire in the **next 5 years.**
- o   The estimated impact of population ageing in Australia is a national shortfall of **195,000** workers (DEWR: 2005a).

1.5   The South Australian context for the case studies

There are numerous challenges facing workforce development in South Australia including –

- o   Population ageing
- o   Retirement trends
- o   Workforce skill development
- o   Special training initiatives (such as, preparatory vocational education) that lead currently under-employed and disadvantaged groups into sustainable employment.

South Australia's ageing workforce is one of the major challenges facing policymakers and employers over the next decade. South Australia already has the oldest population and workforce in Australia. After steadily increasing, the working age population (15 – 64 year olds) in South Australia is projected to decline at the beginning of the next decade. Around one third of South Australia's current workforce will be approaching the age of retirement over the next decade (TASC: 2005). At the same time, low fertility rates are reducing the supply of younger workers joining the workforce. Currently there are **5.25** people in the (potential) workforce for every person aged 65 and over. By 2050-01, this will have fallen by more than a half, to **2.2** (Productivity Commission: 2004).

Retaining older workers in the labour market, providing opportunities for the current pool of mature aged unemployed and those underemployed, are strategies that will become increasingly important to ensuring a source of skilled labour as the pool of younger entrants shrinks. Older people are likely to continue working, but with a reduced number of hours and with flexible work hours. This is indicated by the trend for people to live longer and with better health, bringing with it an increase in expectations about active lifestyles, as well as an increased capacity and need to keep working.

Recent Australian government policy seeks to encourage workers to stay in the workforce longer by delaying early retirement. This will require significant policy reform in a range of areas including occupational and health and safety regulations which can discourage the employment of people over 65. It will also require confronting ageist employer and community attitudes and tackling inflexible employment practices.

The workforce development challenges facing South Australia are magnified by the number of current and projected major projects in the State requiring, in some cases, significant numbers of

skilled employees. On current projections, and without significant policy intervention, the demand for labour in South Australia will outstrip the supply of labour from around 2017. This presents a significant challenge for policy makers to develop innovative workforce development responses.

A number of the targets in the South Australian Strategic Plan relate to workforce development. The South Australian government initiative *Skills for South Australia: Building on Strong Foundations* (Government of South Australia: 2006) is a package of 24 new skills initiatives valued at $98 million over four years, beginning 2006-07. The initiatives focus on seven priorities including workforce planning and information. In March 2008, the South Australian Government released its latest tranche of workforce development initiatives in its report '*A Skills Strategy for South Australia's Future*' (Government of South Australia: 2008).

These initiatives were preceded by the state-wide Workforce Development Strategy (implemented in August 2005) for South Australia – known as *Better Skills. Better Work. Better State. – A Strategy for the Development of South Australia's Workforce 2010*[5] in order to guide the development of South Australia's current and future workforce (Training and Skills Commission: 2005). The Strategy recognised that maintaining and improving workforce skill levels requires collaborative effort from industry, government and employers. The vision is for South Australia to have an efficient, highly skilled workforce that supports a globally competitive economy and socially inclusive community. Nine Industry Skills Boards were established as the State's key workforce development agents.

The Department of Further Education, Employment, Science and Technology (DFEEST) is the agency with responsibility for the implementation of the *Workforce Development Strategy*, and its own workforce planning and development strategy is the subject of one the case studies presented in this report. The *Workforce Development Fund* was established to support and promote best practice approaches to workforce planning and this is also administered by DFEEST. Projects funded include two of the projects presented in this case study report.

The evidence base for workforce planning and development is evolving, and there is a need to document examples of good practice in response to the many challenges associated with preparing workforces for change. There are numerous levels or contexts within which the processes of workforce planning and development operate – from organisation-based, to sector-based, to industry-based, to regional and sometimes state-wide. In addition, both processes can occur within a given sector or across sectors. The case studies undertaken for this report highlight these different contexts. Research has a valuable role to play in documenting the lessons learned in meeting these challenges in their different contexts. During the life of the ARC project, the awareness of the demographic challenges facing South Australia and their potential impact on the workforce has grown steadily and now businesses and government are actively pursuing workforce planning and development.

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[5] *Better Skills. Better Work. Better State: A Strategy for the Development of South Australia's Workforce to 2010*
http://www.workforceinfoservice.sa.gov.au/workforcedevandplanning/strategy#Workforce%20Development%20Strategy

2   Challenges and Drivers for the Case Studies

2.1   Service reform

Service reform requiring new models of delivery and new skills and knowledge has been a key driver of workforce development. The trend to de-institutionalisation has seen a strong shift to community based care and new models of care that are centred on clients and require significant flexibility in delivery. The community services and health sector has been the industry most affected by this trend and the workforce development impact is captured in *Case Study 4* (involving the mental health services sector) and *Case Study* 5 (involving the aged care and disability services sectors).

South Australian reforms to mental health services have occurred against a backdrop of similar reform at the national level – as was evident in the *Out of Hospital, Out of Mind* report (2002) and the National Mental Health Care Policy (2003-2008). The South Australian State Government has identified mental health as a priority issue. In implementing the *Generational Health Review* the South Australian Government also adopted a strategy of reform of mental health services that requires the non-government sector to develop and implement new services. The level and type of non-government services are expected to become more varied and complex. Workers will require a greater variety of skills and will in many cases be working with clients with greater support needs.

Increasing the range and variety of services required to meet the needs of the community as well as increasing the capacity of mental health care workers to respond to growing needs of clients has contributed to a number of workforce issues, including –

- increased job complexity,
- role confusion,
- the need to acquire new skills and competencies,
- a shift in balance between clinical and non clinical services,
- work classification issues,
- difficulty in recruiting and retaining appropriately skilled staff and
- unclear career pathways.

The Home and Community Care (HACC) workforce is a direct outcome of Australian government ageing policy development since the 1985 national *Aged Care Reform Strategy.* This initiated a process of reform which profoundly altered the approach to long-term care and support of older people. It developed a construct known as the 'balance of care'—that is, shifting the emphasis away from institutional care of older people and towards home and community-based care.

Ageing policy has been challenged by the need to plan a coherent response on the part of the formal care system to the ageing of the population. The challenge is compounded by the increasing demand for care to be built flexibly around individual need as opposed to expecting consumers to fit their needs according to service provider need. The move away from residential to community-based care is part of this response, together with the more recent growth in community care 'packages' tailored to individual need and delivered in the home.

Recent ageing policy has also seen a promotion of independence and choice and, related to this, of health promotion policies that encourage 'healthy' ageing. Terms like 'positive ageing',

'successful ageing', 'active ageing' and 'healthy ageing' are now part of the language of ageing policy across all levels of government, and are reflected in the themes of recent aged care conferences in Australia and overseas.

These policy changes have brought with them significant workforce implications involving new sets of skills and knowledge as well as a set of underpinning values that include a clear articulation of consumer rights and choice, the maximization of independent living and client-centred care. HACC workforce planning has also been driven by both population ageing and the ageing of its own workforce, and the need to prepare for ongoing increased demand for services.

2.2   The trend to partnerships

The influence of the trend to partnerships and strategic alliances across and within sectors, and between government and non-government agencies, has been evident in many of the case studies – and in particular, Case Study 2 (the wine industry), Case Study 5 (HACC Workforce) and Case Study 3 (early childhood services).

In order to address issues that are of significance for the future development of the wine industry, the South Australian Wine Industry Council was established as a partnership between the wine industry and the Government of South Australia.

The *Early Childhood Services Workforce Development Framework* was designed to support the development of a range of working partnerships and an integrated workforce development strategy that involves working –

(a)   at the Childhood Centre level;
(b)   at the early childhood development sector level;
(c)   at the health and community services industry level; and
(d)   across the three sectors of education, health and family and community services.

Traditionally early childhood services in South Australia have been delivered separately by a range of professionals working in distinct education, care, health and welfare services. However, very young children and their families do not distinguish between care and education, and it was considered that their needs in the world of today are best met by providing 'joined-up' services. The objective in South Australia for early years' education and care is to provide more integrated services for children and families.

There is significant evidence that shows that 'joined-up' services deliver better outcomes for children and better value for the public purse[6]. This resulted in the Rann government making a strong commitment to a whole of government *Early Childhood Development (ECD) Strategy* which will implement improved integrated service delivery for early childhood services across three major portfolio areas. One of the critical success factors for the Strategy involves enabling the development of appropriate skills and knowledge for Centre staff and the broader early childhood sector workforce. To assist in a partnered approach the Strategy makes provision for the establishment of *Communities of Practice* across the Children's Centres to share information on a range of issues, including workforce development and workplace strategies.

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[6] J. Fraser Mustard (2007) *Experience-based Brain Development: Scientific Underpinnings of the Importance of Early Child Development in a Global World.* In: *Early Child Development From Measurement to Action*. World Bank. Washington.

2.3 Response to global market pressure

Two of the case studies (Case Study 2 focusing on the wine industry and Case Study 6 focusing on the transport storage and logistics industry) demonstrate workforce development strategies in response to changing global market pressure.

Following a period of extensive transformation from a predominantly domestic focus to a dynamic export driven industry, the South Australian wine industry has been facing a period of consolidation in an environment of intense international competition. The *South Australian Wine Industry Employment Strategy* is part of wider workforce development effort at the national level.

In response to a range of identified challenges, the Winemaker's Federation established a Workforce Development Committee with the mission of supporting the continued competitive advantage of Australian wine by representing the industry at a national level in relation to future workforce requirements. Previous research had identified that an accurate understanding of future workforce requirements was missing. Compounding the skill challenge faced at both national and state level in the wine industry are the projected changes in workforce supply arising from an ageing population and from continuing urban drift.

The South Australian wine industry's Workforce Skills Project was driven by recognition of the need for change in the wine industry workforce, underpinned by the development of an active partnership between industry and government. Ensuring an adequate supply of appropriately skilled personnel in the right locations was identified as being critical to achieving the targets for industry growth and economic return.

Consistent with many industries, current demand and supply projections in the Transport Storage and Logistics industry identified *demand* (growth) outweighing (workforce) *supply* in the immediate and longer term. At the same time, planned infrastructure development and increasing trade in exports and imports through the Port of Adelaide was placing heavy demands on the industry in the region known as the North West Crescent of Adelaide. Industry stakeholders nominated key factors behind the projected demand and supply gap such as:

o   Doubling of domestic freight task by 2020;
o   Strong growth in import and export volumes;
o   Predicted strong growth in specialist logistics skills;
o   Ageing of the current workforce;
o   Negative public perception of the industry generally;
o   Limited career pathways;
o   Piecemeal approaches to marketing and industry promotion;
o   Difficulties in attracting and retaining 'new entry' employees.

2.4 Addressing skills shortages and 'hard-to-fill' workforce roles

One of the drivers for the Department of Transport Environment and Infrastructure (DTEI) Workforce Plan (Case Study 7) was to address a large number of skill shortage and hard-to-fill disciplines. These included civil engineers, planners, project managers, marine surveyors and accountants. The Department faces the challenge of increased competition for the existing and potential workforce from other road authorities and industry, locally and interstate.

These issues interact with those arising from the Department's ageing workforce. By 2011, it is anticipated that the number of people entering the workforce will be less than those exiting it.

Industry information indicates that the peak year for skilled labour demand in the road sector is 2013/2014, when there will be a shortfall in the labour supply of some 2,250 people.

2.5   Addressing workforce ageing

The *Workforce Development Platform* (Case Study 1) was designed to address the ageing and configuration of the workforce. The *Workforce Development Platform* was designed to recruit and retain a skilled workforce while building a "skilled, high performance organisation". It was also designed to link workforce development with core business, and was aligned with 'whole of public sector' workforce policies.

The workforce development initiatives for local government (Case Study 8) share these goals - accommodating an increasingly diverse and mobile workforce, an ageing workforce, achieving effective competition for skilled workers, and developing a workforce that reflects broader social and demographic change.

3   Methodologies underpinning the Case Studies

The eight case studies have occurred in a variety of industry sectors and with different levels of intervention, and the detail of their methodologies varies as a result. However, viewed in the simplest terms, they have in common a period of identification of workforce issues that need to be addressed, followed by a research period that usually includes determining exist workforce capability, followed by an analysis of workforce supply against current and projected demand, and implementation of a plan or strategy. While this pattern suggests a linear pathway, the usual approach has been cyclical with ongoing research and feedback loops. The DFEEST Workforce Platform (Case Study 1) provides a clear example of an iterative pattern of research, analysis and feedback, with no clear final stage but a series of stages each influenced by its predecessor. It is apparent in most of the case studies that the development of a workforce plan has followed a linear route while broader workforce development is associated with the weaving of different components that continue to evolve over time.

Central to all of the case studies has been the design of strategies to engage the workforce in order to capture accurate information from them and to ensure the implementation of workforce plans and workforce development initiatives. This is discussed in further detail in Section 3.2. There has also been a strong theme across the projects to design methodologies that support the linking of workforce development with core business, and this is explored in Section 3.3. Another feature of methodologies has been the development of workforce planning and development tools that support the process – see Section 3.4.

3.1   Workforce planning and development involving multiple sectors and levels of intervention – the role of Frameworks

As a group the case studies document workforce planning and development applied to different levels of intervention, for example –

⇒   Organisation-specific with multiple units and levels within each (*Case Study 1*, DFEEST; *Case Study 7*, DTEI; *Case Study 8,* Local Government).

⇒ Industry-specific but with multiple organisations (*Case Study 6,* Transport Storage and Logistics; *Case Study 4*, Mental Health Services; *Case Study 2,* Wine Industry; *Case Study 5,* HACC Workforce).

⇒ Government cross-portfolio (*Case Study 3*, Early Childhood Services).

It is important that workforce plans and development strategies are sufficiently specific to enable their implementation within organisations, and sufficiently broad in scope to capture wider contextual issues, to support coordinated approaches and to enable comparison. Achieving this balance is a major challenge in effective workforce planning and development.

This is illustrated in the *Early Childhood Development Strategy* (Case Study 3) which is obtaining workforce data that will assist in the retention of 'hard-to-fill' occupational groups and the building of flexible responses to changing demand. One of the Strategy's objectives involves building a better understanding about the mobility of people. This is being addressed by developing a workforce database that captures a range of patterns of movement –

a) into the sector (eg. career changers deciding to work in caring occupations);
b) between categories of employment (eg. volunteer to casual, part time to full time worker) and occupational group (eg. child care worker/school assistant to pre-school teacher, junior primary teacher);
c) between employers in the sub-sectors (eg. government and non-government in the early childhood development sector);
d) across the sectors in the Health and Community Services industry (eg. between early childhood development, aged care and hospital care); and
e) out of the sector (eg. nurses being employed in other industries).

Another strategy involves designing **Frameworks** or **Templates**, usually in matrix form, that enable planning to be guided by broad goals that unify more specific strategies that are developed in different or multiple levels, organisations, sectors. These Frameworks or Templates have been found to also provide a tool for workforce engagement (Case Study 3, Early Childhood Strategy, and Case Study 7, DTEI).

Case Study 3 presents a three-tier *Workforce Planning and Development Framework* that specifies goals and action at three levels –

1) the Health and Community Services industry in South Australia
2) the Early Childhood Development sector
3) Children's Centres for Early Childhood Development and Parenting.

The Framework is described as providing an overarching direction that also enables more specific planning within and across each tier, and over a range of timeframes - immediate through to long term.

The Framework also works across three portfolio areas at State Government level, due to the *South Australian Early Childhood Development (ECD) Strategy* being designed to provide a more holistic approach to early childhood development by integrating health, education and family and children's services.

The Workforce Development Framework component of the *ECD Strategy* is structured in **matrix** form providing consistency across the levels – Children's Centre, sector and industry. Its **horizontal** dimension categorises action according to –

⇒ SA Strategic Plan Target
⇒ Leadership/Responsibility for the required action
⇒ Stakeholders involved
⇒ Specific action required
⇒ Objectives governing action
⇒ Outcomes and Indicators.

The **vertical** dimension defines a number of 'Focus Areas' each linked to one of three Priorities of the SA Workforce Development Strategy. The individualisation for each of the three tiers (Centre, sector, industry) occurs in the detailed action identified within these parameters. The process that surrounds the Framework and its associated actions has been complex, which is not surprising given the three tiers of intervention, cross-agency involvement and the multiple sector involvement. This has been summarised in chart form as a 'Concept Map' and appears in the Appendix section of the summary report of the case study**.**

Given that the level of information varies for different audiences, the 'Concept Map' attempts to capture on a single page the key factors that must be considered for the workforce and its effective delivery of services to children and their families. In this way it summarises the more expansive and detailed Framework. The factors include selected high level outcomes desired by the key stakeholders, the policy context, direct and indirect stakeholders, and some of the themes, aspects and organisations that are integral to workforce planning and development in the early childhood development sector.

In the currently early stage of the Strategy, the Framework has been found to encourage longer term thinking about the professional development of Children's Centre staff and the need to build the sector's workforce. There has been a very favourable response to –

▪ The Concept Map - because it reinforces the relationships between different stakeholders and the contribution of each within and across sectors.
▪ The Framework - because it assists in seeing the larger picture from different perspectives.

In order to balance division-level with agency-level workforce planning, the *DTEI Workforce Plan* (Case Study 7) designed a **matrix-based** Template to provide an overarching framework of uniform strategies and priorities while allowing for more specific Division-based planning. The **vertical** dimension of the template lists the DTEI Division while the **horizontal** dimension has these components –

⇒ DTEI Workforce Planning Strategy (that is, from the broader Departmental Strategy. For example, Strategy 3 of the Plan involves recruiting the workforce needed)
⇒ Division Priority (eg reviewing the structure of Job and Person Specifications)
⇒ Timeframe
⇒ Action required by the Division to implement the Strategy (eg to review job and person specifications for identified hard to fill and critical job groups).

A Supply Analysis Matrix for Divisions was also developed to assist them in predicting labour supply to meet projected demand.

3.2 Workforce planning and development engagement methods

Engagement strategies have been key features of the methodologies employed in the eight case studies. These reflect three engagement types involving the use of –

⇒ structures, processes and specific tools (Case Studies 1, 3 and 7);
⇒ 'messengers' or 'champions' (Case Studies 1, 5, 7and 8); and
⇒ The implementation phase of workforce plans (Case Studies 5 and 8).

3.2.1 Workforce planning and development structures, processes and specific tools

The DFEEST *Workforce Development Platform* (Case Study 1) exemplifies good practice in engagement. It used a multiple strategy that established a number of specific networks and committees to engage the workforce in the planning process. These involved HR and Teaching and Learning teams, State Program Leaders, General and Educational Services Managers, Business Services staff and researchers.

The creation of these special structures was supported by agency-wide communication using existing information distribution vehicles (eg internal newsletters). Reports from workshops and focus groups were fed back to participants and a selection of 'high profile' initiatives were invested in as WDP 'flag bearers'.

In addition, a workshop series for senior staff was provided, structured around these five areas:

o Critical challenges facing DFEEST to 2010;
o Workforce profile and capabilities – current and required to 2010;
o Workplace systems, supports and infrastructure – current and required to 2010;
o Cultural enablers and inhibitors (eg norms and 'mindset') – current and 2010 required;
o Questions for which answers were needed but not necessarily available at that time.

Staff from every program/service area (excluding those senior and middle managers involved in the workshop series), were invited to participate in focus groups as an important input to developing the agency's plan. A number of 'Business Panels 'were formed around four key themes that emerged from combining the findings from the research, workshops and focus groups.

Up to eight participants were invited to each Business Panel, selected because they met these criteria –

o A role in policy and/or funding decisions;

o functional responsibility for an aspect covered by the theme;

o a regarded expert in that theme 'field';

o an innovative thinker;

o a significant network influence;

o a known 'researcher and developer' in relation to a particular theme.

The Business Panels involved a presentation on the context and business case for a DFEEST workforce development strategy, synthesis of the material and findings from the workshops

and focus groups, reflection and dialogue, and visioning, outcome and strategy formulation activities based on the INNOVATE® model by *designplanet inc*.

3.2.2   Workforce planning and development 'messengers' or 'champions'

The identification of 'messengers' or 'champions' within the workforce is a central feature of the methodology of the workforce planning and development specialists engaged in relation to four of the projects (Case Study 5, HACC Workforce; Case Study 7, DTEI and Case Study 8, Local Government)[7]. These usually involve managers and others in positions of influence, CEOs, and individual employees expressing evident commitment to the workforce planning process. These individuals are given specific information about the process and play an important role in encouraging other workers to participate in workforce surveys, and workshops and act as a liaison between the workforce and the workforce planning specialist. These sources also provide critical information about workplace culture and the most effective means of communicating with the workforce, and of obtaining their participation, during the data-gathering phase.

Each of the four *Local Government Workforce Planning* Projects (Case Study 8) was led by one senior management employee – the Director of Organisation Development, the Director of Corporate Development or the Manager, Human Resource Services. These project managers essentially drove the project in each location. They were supported by a Workforce Planning Committee/Team which assisted with survey design, the engagement of the workforce through the communication strategy and assessment of the results. These project committees, together with Executive and Senior Management, also participated in the action planning workshops where responses to the findings of the Workforce Planning Project were determined. The communication strategy that shaped the delivery of the workforce planning survey and subsequent workforce development processes was found to have been significant in engaging workforce participation and ownership.

The DFEEST *Workforce Development Platform* (Case Study 1) also made use of this strategy, targeting particular workforce members to lead and encourage involvement by other staff in the WDP's development. The 'messengers' were selected from different levels, including at executive level, and through different workforce engagement processes. An early decision was made to begin the workshop series with the DFEEST Executive group (Executive Forum) and nominated union and Commissioner for Public Employment representatives. The next group targeted were those staff at the interface between senior management and work teams. A second series of workshops was held to involve this group. 'Business Panel' members were the third targeted staff group.

The *Early Childhood Development Strategy* (Case Study 3) also pursued an engagement plan that involved stakeholders at different levels within a number of cross-portfolio arrangements – for example, Inter-Ministerial, Chief Executive and Senior Officer Groups Committees. The 'Concept Map' developed has become an engagement tool supporting an ongoing series of meetings involving senior human resource and organisational development staff from each of the cross-portfolio agencies.

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7 Julie Sloan Management Pty Ltd (JSM). See www.workforce-profiler.com.au.

3.2.3   Strategic use of the implementation phase

It is important that workforce plans and development strategies are designed with their implementation in mind, and engaging the workforce in this stage facilitates both the translation of plans into action as well as continued workforce involvement. The HACC Workforce Plan series (Case Study 5), the Transport Storage and Logistics Workforce Plan (Case Study 7) and the Local Government Workforce Plans (Case Study 8) all exemplify this approach, which is another feature of the methodology employed by the specialist engaged for these projects – Julie Sloan Management.

The HACC Workforce Plans all involved an Action Planning Workshop designed to provide feedback to agencies on sector-wide findings, to demonstrate a workforce planning template which could be used sector wide, and to produce an *Action Plan* addressing the challenges faced by HACC funded agencies and their workforces. This workshop has been found to be effective for both workforce engagement and implementation of the Workforce Plan.

The final stage of the Transport Logistics and Storage workforce initiative included a *'Round Table Forum'* where industry stakeholders who had demonstrated an interest in and commitment to workforce development ('messengers' or 'champions') were brought together to endorse the recommended action plan and to develop an understanding of how to manage and monitor implementation of that plan. Implementation was supported by the establishment of four inter-related working groups with responsibility to:

1.   integrate workforce planning into normal industry practice
2.   remove barriers to industry workforce development
3.   evaluate the impact of industry marketing to young people
4.   develop and monitor HR systems, templates and relevant industry workforce development case studies.

3.3   Linking workforce planning and development to core business

Effective and sustainable workforce planning and development must be linked to core business and strategies to support this dual focus are evident in most of the case studies. This integration was a stated objective of the Local Government workforce planning series (Case Study 8) with Executive and senior management at each of the four participating Councils seeking to ensure they could develop the workforce capacity to deliver the services required to achieve their business objectives.

The DTEI workforce planning strategy (Case Study 7) was designed to integrate workforce planning method and practice into normal business planning cycles. Each Division now plans for, and incorporates specific workforce planning interventions into business plans that are directly linked to business outcomes. While Divisions report annually on the attainment of business goals, reporting on the attainment of workforce planning goals at Corporate and Divisional levels occurs on a six monthly basis.

A business case approach to workforce development is supported by monitoring approaches and the identification of criteria to measure progress and the relative success of each component of the Workforce Plan. Key Performance Indicators used by DTEI include:

⇒   Actions contained in Divisional Workforce Plans completed on time
⇒   Rate of vacancies filled on first notification

- ⇒ Number of projected vacancies in skill shortage areas
- ⇒ Turnover (across a number of specific demographics)
- ⇒ Proportion of staff performing at a satisfactory level
- ⇒ Proportion of new recruits employed as a result of DTEI attraction initiatives
- ⇒ Extent to which the DTEI workforce reflects the South Australian community profile.

Before commencing the Local Government Workforce Planning projects (Case Study 8), each Council ensured that:

o Executive and Senior Management Teams were given a presentation on the topic of Workforce Planning and the range of methods and approaches available.

o A business case for undertaking a Workforce Planning Project had been presented to, and signed off, by Executive. The business case included a risk assessment associated with not undertaking workforce planning.

o The Workforce Planning Project was acknowledged as the first step in integrating workforce planning into normal business planning practice.

3.4   Transfer and building of workforce planning and development expertise

Workforce planning and development requires a specific expertise which is usually found in specialist intermediaries. These play an important role in the process, one which is sustainable when the organisations involved are assisted to develop their capabilities by a transfer of expertise from the intermediary to them. The author of the DFEEST case study identified the need for significant upfront investment in the education, training and development in workforce planning of business managers, HR units and other key stakeholders prior to 'roll out'. This included a recognition that the capabilities required for traditional HR functions are different from those required for workforce planning.

The transfer of expertise has been another feature of the methodology of the projects undertaken by the workforce planning specialist engaged in relation to Case Studies 5, 6, 7 and 8 and has been initiated by a workshop at the beginning of the planning process. The building of workforce planning skill in senior management was a stated objective of the Local Government workforce initiatives. Each Council recognised that the existing workforce data held by them was insufficient to accurately project workforce supply and demand and to formulate sustainable workforce development strategies.

The first stage of the methodology designed for HACC workforce planning (Case Study 5) project began with a workforce planning information and training forum for HACC funded agencies that attracted very positive feedback from the sector in relation to the transferability of skills and the provision of workforce planning methods and templates. A workforce planning template was offered to the sector to assist with the ongoing monitoring of workforce supply and associated workforce planning matters.

A significant part of the initial stage of preparing the DFEEST *Workforce Development Platform* involved identifying any foundations from which to build the initiative as well as any gaps emerged. In order to address identified gaps in capacity, DFEEST engaged a workforce planning specialist to provide an initial workshop with key staff. This provided information about the

essentials of workforce planning and the development of a preliminary scoping exercise. This also identified relevant data, research and policies as well as gaps in these, and clarified the information that would be needed in order to develop the WDP. It was found that ensuring (rather than assuming) that management and key staff had a common understanding of the concepts of workforce planning and workforce development, and the relationship between both, was essential.

3.5   The use of workforce planning and development tools

Tools that assist with the measurement of workforce supply and capacity have been found to be extremely valuable in several of the case studies – both as a means of developing broader workforce planning expertise and as a means of improving workforce databases.

Each of the four Local Government Authorities in Case Study 8 shared the goal of developing an accurate workforce profile that sought information about -

⇒   the characteristics of the current workforce – for example, age, gender, cultural background;

⇒   current and projected employee working arrangements and requirements;

⇒   working life history and working life intentions of current employees;

⇒   learning and career development needs;

⇒   staff satisfaction;

⇒   organisational 'culture';

⇒   opportunities and barriers to employment at the organisation;

⇒   workforce development issues for specific job groups and divisions;

⇒   critical job groups and related time frames;

⇒   current and projected supply source.

The four projects have used a Supply Template for the gathering, monitoring and reporting on supply data by critical job group, by division, by key employee characteristics and by timeframe. The template was designed by the workforce planner engaged by them and tailored to each local government authority while allowing for comparison and benchmarking. It can be completed annually by senior managers and integrated into the normal business and budget planning within Council.

The DFEEST *Workforce Development Platform* also produced several workforce planning and development tools, including –

o   An online Toolkit for workforce planning in DFEEST - the *DFEEST Workforce Planning Toolkit* which is available on the Department's Intranet.

o   A workforce reporting Template that translates data into measures that indicate potential risks and costs for management as well as measures of success against the WDP and/or divisional workforce plans. This is integrated into quarterly Executive reports.

DFEEST found that the Toolkit developed for their project had also provided a mechanism for engagement, and with the wisdom of hindsight, found that this should have been produced at the beginning of the process, and implemented as the workforce development 'backbone'.

4 Responding to identified workforce challenges

The initiatives documented in the eight case studies are at different stages of development, with some being too young to provide information about outcomes. However, others have produced a range of workforce development strategies in response to the challenges that provide the impetus for them.

4.1 Retention strategies

Workforce retention, including of older workers and of skilled workers, has produced a number of planned strategies that are common across sectors and organisations. These include -

o   Offering flexibility in employment and leave arrangements.
o   Creating family-friendly workplaces.
o   Providing reward and recognition programs and incentive packaging (such as, salary sacrifice options and salary packaging) which are consistent and equitable across the industry and which compare more favourably with employment in other sectors.
o   Offering higher or competitive salaries.
o   Providing permanent rather than contract positions.
o   Developing strategies for succession and phasing employees from work to retirement.
o   At a sector-wide and/or regional level, developing opportunities for strategic collaboration around retention and recruitment strategies with a focus on critical job groups.
o   Creating a 'whole-of-life' learning environment and skills recognition for existing employees.
o   Designing workforce development to address employee and organisational training needs simultaneously.
o   Working with industry groups to address regulatory and legislative barriers to retention of workers.
o   Enabling phased retirement for older workers.

4.2 Skill development strategies

Some of the strategies emerging to address skill gaps include -

o   Building skills from within the existing paid and volunteer workforce (with a view to engaging interested volunteers as paid workers).
o   Creating a 'resource pool' of retirees/ past workers/part-timers/ casuals/volunteers to meet special project demands or during times of high demand.
o   Developing appropriate linkages to potential workforce supply (training and learning environment).
o   Establishing and maintaining effective and mutually beneficial relationships. This includes working with the wider community, schools, Universities, TAFE and other post secondary education providers to generate interest in appropriate pre-requisite subjects at secondary school and in occupations which are difficult to fill.
o   Introducing new scholarships in key skill shortage areas.
o   Streamlining recruitment and selection processes.
o   Designing staff training and development to simultaneously facilitate the attainment of

the organisation's current and future obligations, and to support individual life and career goals.

To ensure industry lead action planning around workforce development, the Transport Storage and Logistics industry determined that carriage of the workforce planning project recommendations, together with other strategic and training projects being undertaken at the time, was best placed with the existing *South Australian Freight Council (SAFC) Skills and Careers Working Group.* This group has since implemented significant and sustainable workforce development initiatives. It identified five critical target areas for workforce development which complemented the recommendations from the TSLI workforce planning project.

The *Local Government Workforce Planning and Development* Projects have provided mechanisms to assist in -

o Defining the capabilities required for the *critical* or' *hard-to-fill*' job groups by identifying current and potential sources of supply (eg from volunteers, paid workforce, broader community)
o Undertaking risk assessment around the critical and hard-to-fill job groups and the capacity of associated work groups and the Council to meet projected service demands.
o Measuring the productivity cost of -
  ⇒ Buying skills externally from broader labour market.
  ⇒ Marketing to potential recruits the main reasons employees seek and remain working in Local Government..
  ⇒ Growing the workforce from young employees or from new entry recruitment strategies, marketing employment and career development opportunities for new recruits.
  ⇒ Re-designing the hard to fill/critical job groups to match supply, and analysing capacity to re-design other job groups to enable recruitment from the under-employed workforce.
o Promoting the importance of the role of Council and its impact on the community with the view to strengthening the public image of Councils as an 'employer of choice'.
o Providing accurate information to current and future employees about Councils benchmarked position around salaries and associated salary packaging in particular in critical and hard to fill jobs.
o Targeting training and development opportunities to particular job groups.
o Establishing and supporting 'regional workforce development strategies' which demonstrate active collaboration and connection with other regional employers.

5   Workforce planning and development lessons

There are a number of lessons about workforce planning and development that emerge from these case studies, and that are transferable across industries, sectors and organisations. Each of these lessons can also be regarded as critical success factors.

Lesson 1: It is important to link workforce planning and development into core business planning and reporting cycles.

Several of the case studies sought sustainable workforce development outcomes by integrating workforce planning methods and practice into normal business planning cycles. Some also

found that it is also important to demonstrate the value of workforce planning and development for achieving business goals.

Lesson 2: Partnerships play a key role in effective workforce planning and development.

There are usually a number of different stakeholders involved in the workforce planning and development process and it is important that their different roles and responsibilities are clearly defined and processes established to enable a collaborative approach. Many of the issues addressed are complex and require multiple interventions, a range of skills and networks of influence.

Lesson 3: **Good practice in workforce planning and development identifies the needs of employers and employees, and generates strategies that simultaneously meet the needs of both.**

High performance organisations understand the need to be 'learning organisations' in order to meet change-based challenges and many employees need to build their skills and qualifications in order to obtain effective employment. Individual training and career plans can be designed to meet both employee and employer needs as part of an overall learning strategy. Organisational workforce planning and development can be designed to promote a commitment to lifelong learning and to enabling ongoing work-related learning – for example, by supporting Communities of Practice and similar structures.

Lesson 4: Over-arching frameworks can provide a critical mechanism for unifying diverse components of a workforce plan while supporting individual applications of that plan.

Workforce planning and development strategies involving more than one agency or involving large size organisations benefit from being structured as over-arching frameworks that unify in terms of setting directions but also allow for individualised planning beyond those directions.

Lesson 5: Good practice in workforce planning and development draws on a range of learnings and methods.

The case studies presented have used a variety of workforce planning approaches that include targeted literature reviews, forecasting methodologies, review of demographic data, analysis of demand factors – immediate to both the work setting as well as broader social, economic, cultural and environmental influences.

Lesson 6: A whole-of-life approach to workforce development and employment represents good practice in addressing the challenges arising from ageing workforces and projected skill gaps.

Attracting and retaining a skilled workforce, and good practice in workplace environments is facilitated by flexible working conditions that enable work-life balance across the different life phases, and during the transitions from one phase to another (for example, from pre-retirement to complete retirement).

Lesson 7: Workforce planning and development intermediaries play a critical role by sharing their expertise and transferring learning.

The knowledge and skills required for effective workforce planning and development cannot be assumed. Expert intermediaries play a key role, with the most sustainable impact being

achieved when their methodology is designed to transfer expertise to the organisations involved.

Lesson 8: Good practice in workforce planning and development involves engagement of the workforce in the process, particularly in relation to data gathering and developing action or implementation plans following data analysis.

Strategies adopted by those case studied include specifically designed structures and processes that support workforce planning and development, identifying people in the workforce who act as 'messengers' or 'champions' who provide accurate information about workforce planning and development initiatives. Their role includes encouraging other workforce members to participate in the data collection and planning processes and acting as a liaison point between those driving the process and the rest of the workforce. The implementation of the final strategy can also be structured to further the engagement process.

Engagement needs to occur at all levels of the workforce, including senior management and across all business areas and worksites. It is also supported by providing feedback processes that guarantee confidentiality and cannot identify individual responses. Some key stakeholders must be engaged from the beginning of the process. These include senior management and other decision makers, unions and staff who play the role of 'messengers' or 'champions'.

Providing a range of participation mechanisms, such as, workshops, surveys, information sessions has also been found to be effective, as has acknowledgment of participation through reward and recognition opportunities. It is clear that workforce engagement is critical and that a top down approach that imposes workforce planning and development will hinder effective and accurate data collection.

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