Ageing in the Irish Civil Service: A
Human Resource Management
Response

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36

Ageing in the Irish Civil Service: A Human Resource Management Response

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CONTENTS

FOREWORD

This paper is the thirty-sixth in a series undertaken by the Committee for Public Management Research. The Committee is developing a comprehensive programme of research designed to serve the needs of the future developments of the Irish public service. Committee members come from the following eight departments: Finance; Environment, Heritage and Local Government; Health and Children; Taoiseach; Transport; Communications, Marine and Natural Resources; Social and Family Affairs; Office of the Revenue Commissioners and also from Trinity College Dublin, University College Dublin and the Institute of Public Administration.

This series aims to prompt discussion and debate on topical issues of particular interest or concern. The papers may outline experience, both national and international, in dealing with a particular issue. Or they may be more conceptual in nature, prompting the development of new ideas on public management issues. They are not intended to set out any official position on the topic under scrutiny. Rather, the intention is to identify current thinking and best practice.

We would very much welcome comments on this paper and on public management research more generally. To ensure that the discussion papers and wider research programme of the Committee for Public Management Research are relevant to managers and staff, we need to hear from you. What do you think of the issues being raised? Are there other topics you would like to see researched?

Research into the problems, solutions and successes of public management processes and the way organisations can best adapt in a changing environment has much to contribute to good management, and is a vital element in the public service renewal process. The Committee for Public Management Research intends to provide a service to

people working in public organisations by enhancing the knowledge base on public management issues.

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General information on the activities of the Committee for Public Management Research, including this paper and others in the series, can be found on its website: www.cpmr.gov.ie; information on Institute of Public Administration research in progress can be found at www.ipa.ie.

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Joanna O'Riordan
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Irish civil servants are ageing. Over the past twenty years, the proportion of staff in the 40 to 60 age category has increased almost four-fold. At the same time, numbers of staff under the age of 30 have considerably declined. The problem is significant in a number of departments. Based on 2003 data, over half of all staff in the Office of Public Works are over the age of 45, with other departments, including Arts, Sport and Tourism, Communications, Marine and Natural Resources, Defence, Environment, Heritage and Local Government, Defence and Transport also having large cohorts (greater than 40%) aged over 45.

Recruitment embargoes during the 1970s and 1980s, coupled with a general ageing of the labour force, has led to a situation whereby a large proportion of civil servants are due to retire over the next decade. Department of Finance projections suggest that the proportion of staff over the age of fifty will increase from 25% at present to around 45% in ten years time. This will dramatically increase the number of retirements over the same period.[1]

For public service managers, ageing presents wide ranging human resource (HR) challenges. Large numbers of retirements imply significant loss of experience, know-how and organisation memory. Of necessity there will be extensive promotions at all levels of the organisation, with the possibility of promoted staff lacking the necessary skills. In addition, the government's decentralisation initiative, a voluntary programme to relocate several thousand civil servants outside of the capital, will have similar implications.

This paper highlights the importance of developing a number of HR initiatives as a means of planning for and managing the large number of staff departures and consequent loss of experience which both ageing and decentralisation will generate. The concept of workforce planning, an integrated approach to managing changes that impact on staffing, is introduced. It is also emphasised that staff departures can generate opportunities as well as challenges, for example, the non-representative nature of the civil service (vis-a-vis the make-up of Irish Society in general), the need to change the allocation of staff across

divisions or to improve job-filling through broader candidate search.

However, a serious concern is that the Irish civil service has been slow to implement HR reforms as identified in *Delivering Better Government* and developed in successive national social partnership agreements. In particular, translating policy into practice, for example, effectively implementing PMDS[2], devolving people management responsibilities to line managers, ensuring a more strategic approach to the management of staff resources, has proven difficult. This paper discusses a number of possible reasons why departments have not engaged with HR reform, including ongoing tension between departments and the centre[3] in relation to respective roles and responsibilities, the overly administrative focus of HR units and the increasingly professional nature of HR management.

A central conclusion of this research is that barriers to HR reform need to be addressed if the civil service is to effectively address the twin challenges of ageing and decentralisation. There is an onus on the centre to take a lead in dealing with rigidities and inflexibilities within the system, and with the development of HR policy and the management of civil service-wide HR concerns. However, individual departments must also be proactive in the management and development of their staff. The initiatives discussed in this paper – skills analysis, the organisation's resourcing strategy, the approach to job-filling, developing and promoting talent at all levels, and managing performance, can all be addressed by individual organisations. Two factors would appear to be critical in making this happen, the engagement of senior management with HR reform and the professional know-how and experience of HR staff.

The civil service is facing a period of uncertainty in relation to staffing. The extent and time-frame of staff departures due to ageing and decentralisation remains unclear. However, as emphasised in the concluding section of this report, faced with this scenario, the worst thing departments could do is nothing, because the relevant data is perceived to be too difficult to gather or because more complete information may emerge at some point in the future. Rather, organisations need to forge ahead with workforce planning and do the best they can with what they have. As noted in chapter six, 'a complete solution to part of a problem is better than no solution at all'.[4]

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Introduction

1.1 Background

For several decades there has been talk of Europe's ageing population. Fertility rates below population replacement levels mean that the age profile of many countries is rising. Across the OECD the old age dependency rate, defined as the proportion of the population aged 65 and over relative to the working population, is projected to slightly more than double over the next half century.[5]

Discussions of population ageing have raised concerns in relation to the increasing burden of care which will fall on a shrinking labour force. The most obvious impact of ageing is on retirement income systems and health care, with increasing debate in relation to the need for changes in the manner in which these services are delivered. An ageing society therefore has important implications for the management of public services, including how they are funded, delivered and managed.

A further aspect of the ageing problem is that civil servants are themselves getting older. For public service managers this presents wide ranging human resource (HR) challenges, dealing with a large number of retirements and the consequent loss of experience, extensive promotions at all grades and the challenge of continuing to attract talented new recruits in a shrinking labour market.

However, staff departures also provide opportunities for organisations. There is a chance to bring in a new profile of employee, to change the allocation of staff across divisions, to improve job-filling through broader candidate search and, perhaps more contentiously, to reduce staff numbers. The key point, in order to address both challenges and opportunities, is that changes are managed and planned. In effect, there needs to be a more strategic approach to workforce planning and staff management.

1.2 The Irish experience

Ireland has experienced the population-ageing phenomenon later, and to a lesser extent, than many other countries. The birth rate has not fallen as significantly, while net immigration over the past decade has further mitigated against an ageing population profile. However, it is still projected that the proportion of the population over 65 will almost double (to 20%) over the next twenty-five years (CSO, 2003).

As elsewhere in the OECD the profile of the civil service is ageing. Furthermore, general population trends have been exacerbated by recruitment embargoes, particularly during the 1970s and 1980s. An indication of this is that the average age of the civil service has risen from 34 years in 1985 to 41 in 2004. In addition, the proportion of staff over 50 years is projected to increase from 25% at present to around 45% in a decade.[6] The problem is likely to be particularly significant in a number of departments – the Office of Public Works; Arts, Sport and Tourism; Communications, Marine and Natural Resources; Environment, Heritage and Local Government and Transport – with many experienced members of staff departing within a short time-frame.

To date there is no civil service-wide policy or approach in relation to ageing, though a number of mainstream HR policies, for example the operation of the Performance Management and Development System and the expansion of flexible working arrangements, can support the needs of older workers. Anti-age discrimination legislation is also in place for all workers under the Employment Equality Act (1998).

Within the public sector, the one significant reform aimed at adapting the management of the public service to the challenges created by an ageing population is change in relation to pension entitlements. Under the Public Service Superannuation (Miscellaneous Provisions) Act, 2004, the compulsory age for retirement of all new entrants has been removed.[7]

All civil service organisations are used to a sizable turnover of staff due to a variety of reasons. The vast

majority of civil servants are generalists and achieving promotion frequently means changing department. Staff also leave on retirement, career breaks and secondment. In addition, a number of organisations (Agriculture and Food; the Central Statistics Office; Community, Rural and Gaeltacht Affairs; Defence; Education and Science; Enterprise Trade and Employment; Justice Equality and Law Reform; Revenue and Social and Family Affairs) have experienced the re-location of some of their functions to offices outside of Dublin.

However, the government's decentralisation programme [8], announced in 2003, will lead to a dramatic increase in staff turnover, with many civil servants leaving their jobs either to avail of or avoid decentralisation. Some reports, based on data obtained under Freedom of Information legislation, suggest that the take-up of posts in departments decentralising is only 50%. The situation is even more acute in state agencies where the rate of turnover may be almost 100%.[9] This exacerbates concerns in relation to loss of skills, knowledge and experience due to the ageing and retirement of civil servants.

However, the programme is voluntary and it seems that many Dublin-based civil servants would prefer to move to a department or division remaining in Dublin than move with their current job to a location not in commuting distance of the capital. While clear data is not yet available there would appear to be the real possibility of a surplus of staff wishing to remain in Dublin. Furthermore, decentralisation is likely to exacerbate the ageing problem in departments and sections remaining in the capital as, in general, it is likely to be younger staff who will choose to relocate.

1.3 Workforce planning

Workforce planning (WFP),[10] or how an organisation manages its workforce is about helping organisations to be aware of and prepared for their current and future needs. Areas to be considered include the size of the workforce, its deployment across the organisation, and the knowledge, skills and abilities necessary to pursue its mission. Workforce planning on an ongoing basis ensures that

organisations respond effectively to emerging business objectives while also successfully addressing human capital challenges such as a tighter labour market, the importance of reflecting an increasingly diverse society or an ageing workforce.

Bechet (2002, p.7) refers to strategic staffing/workforce planning as 'the process of identifying and addressing the staffing implications of change'. It includes all managed movement into, around and out of an organisation, for example, recruitment, promotion, transfer, redeployment, attrition and retention.

The literature shows that public and private sector organisations use a range of approaches in managing human capital. These approaches span a continuum from the 'replacement' approach, which focuses on identifying particular individuals as possible successors for specific top ranking positions, thereby recreating the existing organisation, to an integrated workforce planning approach where there is a strategic and systematic effort to ensure that the organisation has the right people with the right competencies at all levels of the organisation. These two approaches essentially reflect a shift in emphasis from a risk management tool, focused on the near-term need to fill key vacancies, to a more strategic approach to the management and development of staff, thereby ensuring that the organisation can successfully implement the changes required to meet future challenges.

1.4 Research focus

The scale of staff turnover within the Irish civil service over the next decade due to both the retirement of a large cohort of civil servants and the government's decentralisation programme will be unprecedented. In order to effectively plan for this situation, it is critical that HR units, supported by senior management, intervene and adopt a more pro-active approach to human capital management. This is necessary to ensure that organisations have the leaders, managers and workforce necessary to deliver organisation goals both now and in the future.

In order to prove effective, a business strategy or change initiative needs to address the staffing implications. Yet, there is little tradition of this in the civil service, certainly it is not done in any formal or systematic way. Undoubtedly, workforce planning becomes more difficult in an environment of high staff turnover, yet it also emerges as more critical than ever. The challenges currently presented by ageing and decentralisation demand that practical, effective and targeted staffing strategies are developed. Furthermore, departments do not need to wait for guidance from the centre in this regard or for complete information in relation to their future staff profile, but rather should develop an approach that identifies their own needs and supports the achievement of their objectives. The focus of this paper is to provide guidance in relation to how this can be done.

This research, commissioned by the Committee for Public Management Research, is being carried out at the same time as an OECD project on the challenges of managing the civil service in the context of ageing populations. In addition to an overview of the ageing challenge across the OECD, a number of countries including Ireland are the subjects of closer examination. The terms of reference for this study, noted below, were drawn up within this context:

- Presentation of the data obtained by the Department of Finance in order to meet the requirements of the OECD work. A core objective here is to highlight and raise awareness of the ageing problem faced by many Irish government organisations.
- Discussion of the HRM procedures that need to be put in place in order to effectively prepare for the departure of a large number of experienced staff.
- A review of the implications for the civil service of the departure of a large number of experienced staff and an analysis of the changes required in order to effectively prepare for this scenario.

1.5 Report structure

Following this introductory chapter the structure of this report is as follows:

Chapter two presents data on the age profile of the Irish civil service and projections in relation to ageing and retirements. The experience of individual departments is also examined.

Chapter three examines HR reform in the Irish civil service and assesses why progress has been slow. It also reviews current approaches to workforce planning, highlighting three particular areas, effective selection, strategic staffing and succession planning.

Chapter four reviews the literature in relation to approaches to workforce planning and examples of its benefits, under the same three headings, effective selection, strategic staffing and succession planning

Chapter five examines a range of case studies from the private and public sectors, providing examples of different aspects of workforce planning in practice.

Finally, *Chapter six* provides conclusions and recommendations in relation to how workforce planning might be more effectively implemented in the Irish civil service.

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Assessment of ageing in the Irish civil service

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2.1 Introduction

This chapter presents data in relation to the current and future age profile of the civil service. This is examined in the context of the overall population and labour force profile. The age profile by department is also shown, with the figures correlated by grade for a sample of departments.

2.2 Population profile

Ireland's population is young by European standards. The profile of the population at the time of the 2002 census of population is shown in Figure 2.1.

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Figure 2.1: Age Profile of Population of Ireland

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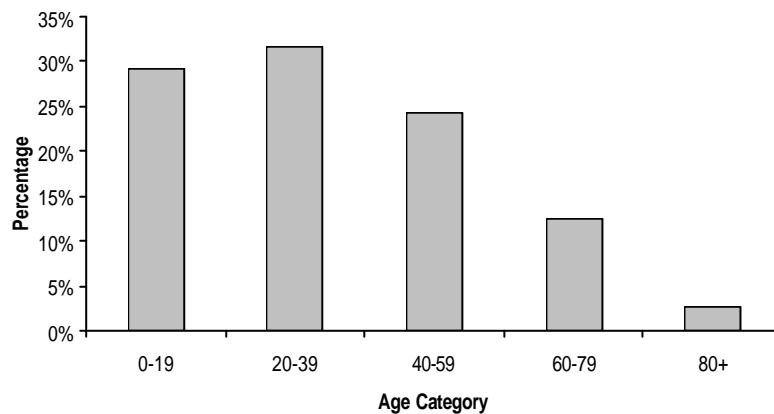
Source: Census of Population, 2002, CSO

The current most significant feature of the Irish population is its rate of expansion, principally due to net inward migration. The April 2005 population estimate

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7

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(CSO, 2005) is 4.1 million, the highest level since the middle of the nineteenth century. However, the Irish population is ageing, albeit at a slower rate than elsewhere in Europe. The proportion of the population aged over 65, currently about 11%, is expected to rise steadily, reaching the current EU average of 17% around 2025, and almost one third of the population by 2050 (CSO, 2002).

At the same time the number of those in the active age group (20-65) will decline. At present there are around 5.5 persons in this category for every person over 65. In fifty years time this will have fallen to about 1.5. These changes will have a major impact on the delivery of public services.

2.3 Profile of the civil service
The current age profile of the civil service is shown in Table 2.1. As a reference point it is compared to the profile of the labour force as a whole.

Table 2.1: Percentage Distribution by Age and Sex of the Civil Service and Labour Force, 2004

	Civil Service			Labour Force		
Age	Male	Female	**Total**	Male	Female	**Total**
< 25	2.8%	5.7%	**8.5%**	8.8%	7.5%	**16.35**
25-34	7.4%	14%	**21.3%**	15.7%	12.9%	**28.6%**
35-44	12.8%	19.5%	**32.3%**	13.9%	9.9%	**23.8%**
45-54	13%	14.4%	**27.4%**	11.3%	7.9%	**19.2%**
55-59	4.6%	2.6%	**7.1%**	4.2%	2.5%	**6.7%**
60 >	2.3%	1%	**3.3%**	3.9%	1.5%	**5.4%**
	42.9%	57.1%	**100%**	57.8%	42.2%	**100%**

Source: Department of Finance Analysis (from CSO and Cen-sis)

The above data indicates that there is a moderately higher proportion of civil servants in the 35-54 age cohort compared to the labour force as a whole. It would appear that this is in part due to a higher average age of new recruits to the civil service, currently about thirty years, and also due to recruitment embargoes in place until the

mid-1990s.

Reviewing data (Figure 2.2) for the civil service over time would appear to support this claim, with a marked trend towards an older civil service.

Figure 2.2: Age Profile of the Civil Service, 1985 and 2004
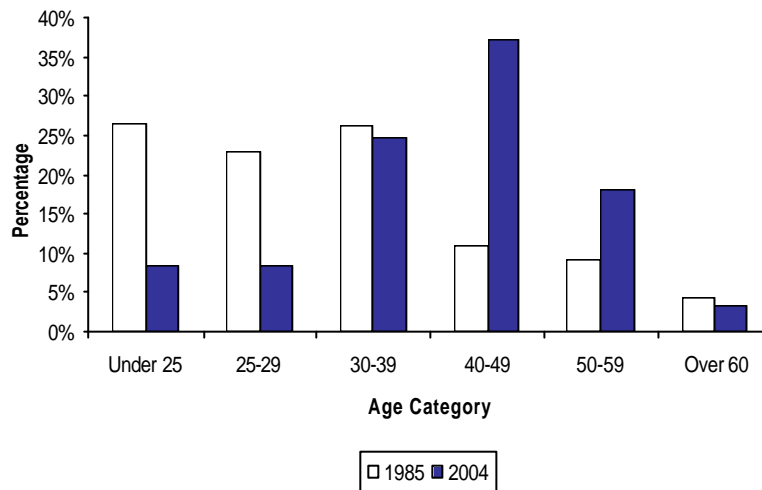
Source: Department of Finance, Cen-sis section

Figure 2.2 shows significantly lower numbers in the under thirty category compared to the mid-1980s and numbers in the 40 to 60 age-cohort increasing almost four-fold.

Notwithstanding the various uncertainties in relation to recruitment, it seems likely that the civil service will continue to age. Based on one set of forecasts prepared by the Department of Finance, the proportion of staff aged over 50 is projected to increase from 25% at present to around 45% in ten years time. Figure 2.3 shows the projected rise in the number of older staff. This will dramatically increase the number of retirements over the same period.

*Figure 2.3: Projected Increases in Numbers of Civil Servants
Over Fifty Years*
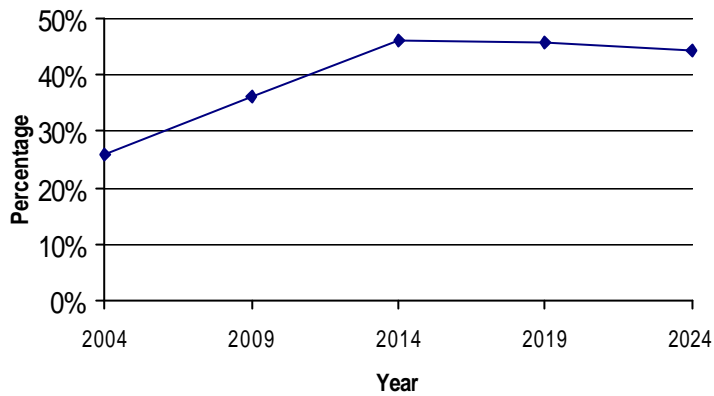
Source: Department of Finance Analysis

2.4 Profile of departments

As described in Section 2.3, the general situation across the civil service is one of an ageing workforce, with the proportion of staff in the over-fifty age category to increase steadily. However, individual departments and offices experience the phenomenon to varying degrees. Table 2.2 compares the age profile of the staff across departments.

In terms of an ageing workforce the important categories are 45-54 years and 55 and over. Based on 2003 data, approximately half of all staff in the Office of Public Works (52.8%) and the Department of Agriculture and Food are over the age of 45, with other departments, Arts, Sports and Tourism (42.3%), Communications, Marine and Natural Resources (43%), Defence (42.2%), Environment, Heritage and Local Government (44.2%) and Transport (41.6%) also with large cohorts of staff approaching retirement.

Table 2.2: Age Profile of Staff across Departments and Offices[1], 2003

	<35 YRS	35-44 YRS	45-54 YRS	55+ YRS	Absolute Numbers
DEPT TITLE					
Agriculture and Food	21.9%	29.8%	33.0%	15.4%	4,800
Arts, Sport and Tourism	31%	26.6%	30.0%	12.3%	413
Attorney General	30.3%	33.0%	26.8%	9.8%	112
Central Statistics Office	33.7%	33.7%	24.3%	8.4%	754
Chief State Solicitor	41.9%	30.2%	19.8%	8.2%	232
Civil Service Commission	48.8 %	28.4%	17.3%	5.6%	162
Communications, Marine and Natural Resources	28.1%	28.7%	28.4%	14.6%	714
Community, Rural and Gaeltacht Affairs	38%	30.4%	22.5%	9.1%	253
C & AG	55%	21.9%	21.3%	1.9%	160
Courts Service	25.8%	29.1%	30.2%	14.5%	1,125
Defence	19.7%	38.1%	31.4%	10.8%	446
DPP	48.3%	27.0%	19.5%	5.2%	174
Education and Science	31.1%	32.5%	25.9%	10.5%	1,214
Enterprise, Trade and Employment	33.3%	27.9%	27.6%	11.0%	1,141
Environment, Heritage and Local Government	25.9%	29.7%	29.1%	15.1%	1,410
Finance	27%	36.4%	26.2%	10.4%	604
Foreign Affairs	36.6%	24.5%	25.9%	13.0%	1,181
Health and Children	31.5%	34.3%	25.6%	8.6%	700
Justice, Equality and Law Reform	36.1%	32.4%	23.9%	7.5%	3,597
National Gallery	30.4%	17.4%	26.1%	21.7%	23
Office Of Public Works	20%	27.2%	34.9%	17.9%	585
Oireachtas	25.3%	31.5%	25.9%	17.1%	340
Ombudsman	30.1%	32.5%	31.3%	6.3%	80
President's Establishment	37.5%	33.3%	16.7%	12.5%	24
Revenue Commissioners	22.8%	37.3%	30.2%	9.6%	6,942
Social and Family Affairs	25.9%	36.2%	29.2%	8.6%	4,723
State Laboratory	27.3%	31.3%	31.3%	10.1%	99
Taoiseach	38.9%	31.7%	18.7%	9.9%	252
Transport	22.7%	35.5%	31.6%	10.0%	529
Valuation Office	17.3%	16.5%	39.6%	26.6%	139
Overall Total					32,928
[1]Actual Numbers, not including staff on career break					

The problem of ageing is further exacerbated where staff likely to retire are at senior levels. Table 2.3 compares the age profile of staff at the senior management grades of principal officer (PO) and assistant secretary (AS) for the two centre departments, the Department of Finance and the Department of the Taoiseach, and for the two largest departments, the Office of the Revenue Commissioners and the Department of Social and Family Affairs (SFA).

Table 2.3: Proportion of Senior Management in each Age Category in Selected Departments, 2003[1]

		<44 YRS	45-54 YRS	55-64 YRS	Total > 45 YRS	Absolute Numbers
Finance	AS	17%	67%	17%	83%	12
	PO	24%	41%	36%	77%	56
Taoiseach	AS	57%	14%	29%	43%	7
	PO	25%	50%	25%	75%	20
Revenue	AS	14%	43%	43%	86%	14
	PO	11%	60%	29%	89%	147
SFA	AS	0%	50%	50%	100%	4
	PO	25%	49%	25%	74%	47

[1]Due to rounding-off, percentages do not always add exactly to 100%; data from personnel systems, professional staff not included

AS= Assistant Secretary; PO= Principal Officer

Source: Adapted from Department of Finance, Cen-sis, 2003

The data highlights the point that a high proportion of experienced managers will be retiring over the next fifteen years. Furthermore, the pool of principal officers under the age of 45, ranging from 11% in Revenue to approximately one-quarter in the other departments, may be insufficient to replace them.

The current approach to HR and workforce planning in the civil service

3.1 Introduction

This chapter reviews progress in relation to HR reform and in particular current approaches to workforce planning, highlighting three core aspects, selection and job-filling, a strategic approach to staffing and succession planning.

Both an ageing workforce and decentralisation present public service managers with wide-ranging human resource challenges. Effective workforce planning – comprising skills analysis, the resourcing strategy, the approach to job-filling, identifying successors and management development etc – needs to be central to the response. Yet, over the past decade, the pace of HR reform within the civil service has been slow. This chapter identifies some of the barriers which it is critical to address if the civil service wishes to support organisations in using HR interventions to plan for and respond to major change.

As part of this research, a short questionnaire was sent to the personnel officers of departments and offices requesting information in relation to human capital management activities. Consistent with a general lack of strategic focus and over emphasis on the administrative aspects of HR, in the main, departments and offices have done little to ensure there is an integrated and forward-looking approach to the management and development of their workforce.

3.2 *Delivering Better Government* vision

During the mid-1990s, the government requested that a group of secretaries general review existing systems for making decisions, allocating responsibility and ensuring accountability in the Irish civil service and bring forward for government consideration proposals for an integrated programme to modernise the systems and practices in

13

question.

The resulting programme of change for the civil service, known as *Delivering Better Government* (DBG, 1996), included the use of effective human resource management systems as a core element of its vision. It was stressed (p.32) that 'the creation of a results-driven civil service clearly aligned with government priorities and focused on quality of service will not be possible within the existing personnel structures'.

More specifically, key HR recommendations included (p.32):

- the need to achieve a better balance than currently exists between central regulation and local autonomy at the level of individual departments
- a significant restructuring of personnel systems and a more proactive approach to personnel management
- an emphasis on performance and the full development of the skills of staff and their utilisation in meeting the needs of the organisation
- the reallocation of resources to reflect the priorities of departments.

Since DBG, a range of policies, initiatives, guidelines and legislation has been put in place to progress the reform agenda. A trend has also emerged of linking public sector modernisation with successive national partnership agreements. As a result, a direct link has been made between progress in relation to reform objectives and pay increases.

3.3 A decade of HR reform

The HR reform agenda identified in DBG was ambitious but also appropriate. It was recognised that major reform of HR structures and approaches was required, not only to improve HR itself and ensure that the civil service had best practice arrangements, but also to deliver on other goals of the Strategic Management Initiative.

However, progress in relation to HR reform has been slow. In particular, departments and offices have struggled to put HR policy into practice. In their *Evaluation of the SMI* (2002), PA Consulting conclude (p.64):

> While policy initiatives have been developed, the general perception across departments and offices is that the fundamental changes anticipated in DBG have not yet taken place. Many managers are still concerned at what they consider their lack of effective connection with the HR agenda. Moving from policy to implementation remains problematic.

There are a range of possible reasons for this slowness to act in relation to HR reform. To some degree a department's size and resources influences the extent to which a pro-active approach to strategic HR has been adopted[11], but other overriding issues include the following:[12]

- HR has increasingly become a specialised function requiring professional training, know-how and experience. With a small number of exceptions this is not available across the civil service. HR units need to ask themselves if they have the core competencies, culture, systems and processes, working practices and human skills to achieve their objectives.

- In many departments there would appear to be a lack of conviction in relation to the role HR can play in enhancing organisation commitment and performance. Putting in place appropriate policies and procedures will not in itself bring about the changes in organisation climate and culture required in relation to HR. Secretaries general, together with their management committees, need to be seen to 'own' and 'drive' HR reform in their own departments. This implies engagement with the strategic and developmental aspects of HR, rather than considering HR solely in the context of headcount and IR issues.

- In relation to the implementation of HR policy, there is a degree of ongoing tension between the roles and responsibilities of the centre and those of individual departments and their management teams. At one level, many departments still appear to require that certain functions (for example, the development of HR procedures) be undertaken by the centre, and that ongoing support is provided in relation to the implementation of HR policies and procedures. Organisations appear reluctant to develop and implement practices that are within their scope and area of influence, workforce planning being a prime example. However, at another level, organisations appear frustrated by the centralised nature of the system, with examples ranging from the overly prescriptive nature of PMDS, delays in receiving guidance in relation to issues like underperformance and inability to obtain staff with particular skills or experience.

- HR units across the civil service are primarily delivering an administrative service, which absorbs all their time and resources and precludes them from engaging in HR activities with a strategic focus. Some departments have sought to address this issue through assigning a small number of staff from within HR specifically to policy or strategic issues. However, until people management issues are effectively devolved to line managers, which to date has only taken place to a very limited extent, HR units are going to be restricted in relation to what they can achieve.

- Ensuring that HR reforms are operationalised requires ongoing monitoring and evaluation. Monitoring is necessary to ensure that initiatives are implemented in all areas. It is also important to identify benchmarks and performance indicators to gauge how successful the organisation is in implementing the objectives of HR reform. Evaluation of implementation ensures that reforms are achieving their intended objectives. The Civil Service Performance Verification Group reviews the

performance of departments in respect of modernisation objectives. Consideration should be given to reviewing HR reform in a more wide-ranging manner.

- There is a need for the centre to take a more pro-active role with regard to overall HR strategy and, in particular, to review policies that apply across the civil service. A HR policy paper being prepared by the Personnel and Remuneration Division of the Department of Finance during 2006 aims to address many fundamental aspects of HR policy in the civil service including recruitment, grading and promotion.

3.4 Current approaches to workforce planning in the Irish civil service

This section reviews current approaches to workforce planning under three sub-headings: selection, strategic staffing and succession planning.

3.4.1 Selection

The Irish civil service has what is referred to as a 'career-based', as opposed to a 'position-based', system of employment (OECD, 2003). Typically civil servants are recruited at the start of their career and remain in public service throughout their working life. Entry grades, all of which are at a junior level, reflect this approach. Typically, new entrants are recruited at clerical level, executive level (the level above clerical level) and administrative level (graduate entry).

A further characteristic of civil service recruitment is that the majority of staff are recruited as 'generalists' and assigned to positions on a needs basis. To varying degrees an effort has been made on the part of some departments to match the competencies of new recruits to specific jobs, however, in general staff are expected to be capable of working in all areas and there are no specialist career paths.

Recruitment competitions are conducted by the Public Appointments Service (PAS). Figures from the PAS show that in 2005, 941 clerical officers (COs), 144 executive

cfficers (EOs) and 10 administrative officers (AOs) were appointed from open competitions. However, according to the PAS, as much as half of those participating in open competitions at EO and AO level are already existing civil servants. This means that less than a hundred of those people entering above CO level are genuinely new entrants. Furthermore, numbers being recruited at graduate level are very small.

Sustaining Progress (2003), the most recent national social partnership agreement, recognised that 'greater use of open recruitment and improved competitive promotions are fundamental to the ongoing development of a modern and dynamic civil service' (p. 104). As a result, agreement was reached with the social partners that in any year the civil service could recruit at higher executive officer (HEO), assistant principal (AP) and principal officer (PO) level a number of external recruits equal to the number of staff who resigned from those grades to take up positions in the private sector or elsewhere in the public sector. However, recruitment under this provision has been negligible. In 2003, nine staff at HEO and AP level were selected and a similar number are due to be appointed later in 2006. However, interest in these competitions is high. In 2003, over 3,000 applications were received and in 2006, approximately 5,000.[13]

In addition, *Sustaining Progress* recognised the need to recruit staff with specialist skills and expertise in short supply among existing civil servants. It was agreed that in certain areas – IT, HRM, financial management and professional disciplines are cited – there may be a need to acquire these skills at various levels from outside the service. The agreement of the relevant trade union is required prior to the recruitment of individuals to any specialist post. However, according to data provided by the Department of Finance, over the course of the agreement there have been relatively few cases (41) where departments and offices identified that they needed specialist skills. Of these over half were in IT, with the remainder in financial management (12); legal (2); statistics (2); and pensions (2).

Related to the issue of staff with specialist skills is the recruitment of professional and technical staff. Currently just under 25% of the civil service are professional and technical grades (e.g. agriculture inspectors, engineers, solicitors, architects, draughtspersons, technicians etc), with industrial grades (e.g. park keepers, joiners and carpenters) making up a further 10% of overall numbers. As with the general service grades, the majority of professional and technical personnel enter the civil service at relatively junior levels. However, promotion opportunities are far more limited as traditionally it has not been possible for individuals to transfer out of their particular areas of specialisation and/or apply for general management positions. One exception to this is the integration of Customs and Excise staff at Revenue into the general service, an initiative that has proven beneficial for both the organisation and the staff concerned.

Revenue has also recruited a number of specialists on a contract basis at AP level. Among these are accountants employed on contracts of indefinite duration. A decision was made by the Department of Finance to allow these employees to apply for PO posts in inter-departmental competitions and, subsequently, a number of them have applied for promotion in an internal Revenue PO competition held in Spring 2006. The HR unit is also currently in the process of recruiting an auditor with experience of electronic audits at AP level on a permanent basis. In all cases external appointments are made subject to overall Revenue numbers and within Revenue budgets.

Provisions in respect of open recruitment have been further expanded in the terms of the proposed new social partnership agreement, *Towards 2016* (June 2006). It is agreed (p.41) that 'in order to meet the requirements of a modern public administration and to take account of the age profile of the civil service, an element of open recruitment is necessary in respect of Principal officer, Assistant Principal and Higher Executive Officer, and equivalent professional and technical grades'. Consequently, provision is made to fill approximately 20% of vacancies across the three grades from outside the civil

service.

These provisions are more extensive than those under *Sustaining Progress*. Explicit reference is also made to the possibility of meeting the need for general service staff with specialist skills through these quotas. However, recruitment in these instances will be subject to local management/trade-union negotiations, and concerns remain in relation to the general opposition of the civil service unions to open recruitment at senior grades.

3.4.2 A strategic approach to staffing
Among the organisations surveyed as part of this research, a number indicated that they were aware of the importance of a strategic approach to staffing and would address it in the future, but at present the management of decentralisation was absorbing all resources. This is a complex situation. Undoubtedly workforce planning becomes more difficult in an environment of high staff turnover. Yet, it also emerges as more critical than ever. It is essential to know what skills and experience will be 'lost' and also whether staff moving to new positions have the necessary competencies, or at least that management is aware of the areas in which they may be deficient and have a programme to address this.

The Office of the Revenue Commissioners has gone furthest in seeking to put staffing issues on a strategic level. A major objective of Revenue in recent years has been to realign organisational structure with business strategy. The resulting restructuring has led to greater devolution of autonomy and responsibility to line managers. This has had significant HR implications, due to changes in staffing requirements and role profiles across the organisation. It has also been identified that certain areas of the organisation for historical reasons are overstaffed, while others where demand has recently increased are understaffed. In addition, the age profile of staff in Revenue, with many senior staff due to retire over the next decade, has been identified as a cause for concern.

Other examples of initiatives that facilitate better workforce planning are the Department of

Communications, Marine and Natural Resources which has done some work on a pilot basis in respect of job profiling, and the Department of Transport wich has developed competencies in respect of all grades. In this regard, the UK Cabinet Office's *Professional Skills for Government* initiative, which involves identifying competencies (Appendix 1) for roles across the civil service, is particularly attractive as it cuts across the limitations and inflexibilities of job descriptions and classifications.

For the civil service in general, the Performance Management and Development System (PMDS) is the main vehicle for identifying skills gaps and training needs. As individual role profiles are linked into the business plan of the unit and ultimately the organisation's strategy statement, there is the possibility of using PMDS to ensure that a link is made between the objectives of the organisation and issues related to staffing. However, this will occur only to a limited degree. It presupposes the right people are in the right jobs in the first place and, also, the relatively short-term focus of PMDS, at most one year, means that medium to long-term business objectives and skills needs may not be identified or addressed. A good performance management system supports workforce planning but it is not in itself enough.

The integration of PMDS with other HR policies agreed in Summer 2005 is a positive development in terms of better promotion of talent across the service. From January 2007, 'PMDS assessments will carry forward for the following twelve months in respect of other HR decisions unless exceptional and unforeseen circumstances require otherwise'.[14] This implies that PMDS reviews will have an impact on decisions in relation to probation, increments, higher scale posts and promotion. While reservations have been expressed by some personnel officers in relation to the implementation of the integrated PMDS model in a consistent, fair and equitable manner, the objective – that good/bad performance be recognised and acknowledged – is significant.

Similarly, for the departments that have developed

and/or are implementing training and development strategies, competency guides, mobility policies etc, it should be noted that while these initiatives are good and support staff development, it is important that a direct link is made between these activities and staffing issues. For example, will a particular initiative support the attraction or retention of staff, will it help to develop future leaders, is it directly linked to organisation objectives, does it address specific skills gaps identified by the organisation, will it develop skill sets that are critical to the organisation or for which there is extreme competition externally, will it change the staff profile of the organisation? All these are questions which workforce planning, supported by training and development strategies, mobility policies and other HR procedures, will address.

3.4.3 Succession planning:

Succession planning relates to the process whereby one or more successors are identified for key posts (or groups of similar key posts), and career moves and/or development activities are planned for these successors. Successors may be fairly ready to do the job (short-term successors) or be seen as having longer-term potential (long-term successors). However, as noted by Hirsh (2000, p.xiii), in all cases it is about more than 'just putting names in boxes on organisation charts' but involves the pro-active development of 'talent'. Succession planning therefore sits within the very much wider set of resourcing and development processes described in sections 3.4.1 and 3.4.2.

Traditionally, succession planning has only applied to the most senior jobs in an organisation. However, more recently a 'devolved' model, whereby the same processes and philosophy are applied to a much larger population, has emerged. Furthermore, the level of secrecy in relation to succession planning has been reduced. It is recognised that all employees should understand that such a process exists and how it works. It should involve a dialogue where identified employees have an opportunity to give their views in relation to their career development.

Within the Irish civil service, attitudes vary in relation to the extent to which succession planning applies. Some senior civil servants argue that high potential is recognised and that mentoring does take place. What they are referring to is a traditional, ad-hoc and informal approach to staff development. However, notwithstanding the fact that some civil servants may feel that they received considerable support and guidance under this system, the absence of procedures, lack of transparency and possible lack of objectivity, lead to extensive difficulties.

From this perspective, the announcement by the Taoiseach in June 2006 of a more formal Leadership Initiative for the public service is welcome.[15] Initial proposals suggest that the new programme will involve the development of skills and competences through training, but also, a more comprehensive approach to leadership development through more specific succession planning and management development activities.

3.5 Chapter conclusions

HR reform has been on the civil service modernisation agenda since the mid-1990s; however, the pace of change has been slow, with difficulties experienced in translating policy into practice. There are a range of possible reasons for this:

- There is a degree of ongoing tension between the roles and responsibilities of the centre and those of individual departments.
- HR units across the civil service are primarily delivering an administrative service.
- HR has increasingly become a specialised function requiring professional training, know-how and experience.
- In many departments there would appear to be a lack of conviction in relation to the role HR can play in enhancing organisation commitment and performance.
- There is need to put in place effective systems of monitoring and evaluation to ensure that HR reforms are operationalised

- The centre needs to take on a more proactive role with regard to HR policy and strategy.

Reviewing the current approach to workforce planning, it is evident that while initiatives such as PMDS, training strategies and mobility policies are helpful in terms of promoting staff development, in the main they are not linked to staffing issues. There is very little tradition of reviewing the staffing implications of change, either on a local level, for example changed departmental priorities, or more globally, for example an ageing workforce.

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Implementing workforce planning

4.1 Introduction

This chapter reviews the literature in relation to implementing workforce planning and shows how, in practice, a strategic approach to staffing can be used to address challenges for the organisation such as the loss of skills and experience due to an ageing workforce or the relocation of the organisation. As in chapter three, the chapter is split into sections addressing selection, strategic staffing and succession planning. However, the overriding message is that the staffing implications of change are managed and planned.

4.2 Developing an approach to effective selection

Ensuring that you have the right people to meet your business needs is a central part of workforce planning. Developing current staff is one way of achieving this; however, finding and attracting new talent is also important to safeguard against an organisation's processes and staff starting to stagnate. A well-designed recruitment process is necessary to ensure that the organisation has the people it needs and also, in a competitive labour market, can be critical in attracting talented individuals.

Recruitment is a strategic opportunity where clear purpose is required. Yet, for many organisations it is tactical, short-term and principally about replacement. Holbeche (2003) notes that recruitment should not simply be a question of filling gaps but be focused proactively on bringing into the organisation the kind of skills and experience that cannot easily be built from within. Recruitment needs to be part of an overall human capital management strategy which is driven by the business strategy (Holbeche, 2003, p.168, Table 4.1).

Table 4.1: How Recruitment Fits with a Comprehensive Human Capital Management Strategy

1	***Understanding the implications of the business strategy***
	• Where is the organisation going? How are needs changing? Is growth anticipated?
	• Are we becoming international/global?
	• How much change and innovation do we want to inject into the system?
	• What costs are we expecting?
	• How much flexibility will be needed in meeting customer needs?
2	***Work out what is required to support the business strategy. 'Stocktake' current staff***
	• How many people do we have, what are their skills, knowledge, experience, attitudes to change?
	• What do our current staff want in terms of career development? Are these expectations realistic?
	Assess future needs
	• How many people will we need in the short-term future (e.g. 2-3 years)? What will their skills be?
	Identify gaps
	• Who has particular talents which we wish to nurture?
	• Who do we especially want to retain?
	• Who is at risk of leaving?
	• What key skills areas are we likely to be short of?
	• Where have we too many of the 'wrong' skills?
	• How much will people be willing to retrain?
3	***Develop an integrated set of processes to sit alongside development plans***
	• External – develop hiring plans.
	• Internal – develop retention strategies, removal plans.
	• Set measures of effectiveness and identify costs.
4	***Create an infrastructure for development[1]***
	• Develop HR policies that support development and learning.
	• Ensure that organisation values, feedback processes, senior management behaviour, reward mechanisms and development all align.
	• Create mechanisms for self-development such as 360-degree feedback, development reviews, development centres, learning resources, career workshops etc.
	• Ensure that line managers are trained to help others with their development.
	[1]Further guidance in relation to staff development and career progression is contained in CPMR Report No. 20, *Career Progression in the Irish Civil Service*

Source: Holbeche (2003), p.168

4.3 Developing an approach to strategic staffing

In a review of the experiences in public sector organisations in other OECD countries, the Government Accountability Office in the United States (GAO, 2003) identify a range of practices that should be associated with workforce planning. These are as follows:

1. The active support of top leadership

The demonstrated commitment of top leadership in the organisation is perhaps the single most important element of effective workforce planning. Senior managers need to actively participate in initiatives, regularly use programmes to develop, place and promote individuals and ensure that initiatives receive sufficient financial and staff resources and are maintained over time.

Example

Each year Ontario Public Service's top managers convene and actively participate in a two-day succession planning and management seminar. At this gathering they discuss the anticipated leadership needs across the government as well as the individual status of about 200 high-potential executives who may be able to meet those needs over the next two years.

Example

The chief executive of the Family Court of Australia pledged to earmark funds when he established a multi-year succession planning and management programme in 2002 despite predictions of budget cuts facing the organisation.

2. Link to strategic planning process

Workforce planning needs to be carried out in the context of the organisation's business strategy to ensure that both current and future staff needs are considered. In this way WFP helps to ensure that the organisation becomes what it needs to be, rather than simply recreating the existing organisation.

Example
At Statistics Canada, committees composed of line and senior managers and HR specialists consider WFP in the context of the organisation's goals and objectives. During 2001, the committees received projections showing that a majority of senior executives would retire by 2010, and the number of qualified assistant directors was insufficient to replace them. In response, the organisation increased the size of the pool and introduced a development programme of training, rotation and mentoring to encourage the development of those already in the pool.

3. Identify talent at multiple levels in the organisation, early in careers, and, in particular, those with critical skills
While different initiatives will apply to different groups (e.g. very focused development for graduate 'fast-stream' entrants, development opportunities for entry grades with the potential to take on supervisory responsibilities, or senior executive development programmes) the critical point is that an organisation should be aware of employees with potential throughout the organisation and put in place appropriate training, coaching and mentoring initiatives.

Example
The UK's 'fast stream' programme targets high potential employees early in their civil service careers as well as recent college graduates. The programme places participants in a series of jobs designed to provide experiences such as developing policy, supporting ministers and managing people and projects, each of which is linked to strengthening specific competencies required for admission to the Senior Civil Service. Programme participants are typically promoted quickly, attaining mid-level management in an average of 3.5 years, and the Senior Civil Service in about a further seven years.

4.   Emphasise development assignments in addition to formal training
On-the-job developmental or 'stretch' assignments are often

more beneficial than formal training. These opportunities place staff in new roles or unfamiliar environments in order to strengthen skills and competencies and broaden their experience. These development assignments, together with other support mechanisms help ensure that individuals are capable of performing when promoted. [16]

Example
In Canada's Accelerated Executive Development Programme (AEXDP), developmental assignments form the cornerstone of efforts to prepare senior executives for top leadership roles in the public service. The AEXDP was created in the late 1990s to strategically manage the development of senior executives who have the potential to become assistant deputy ministers within two to six years. AEXDP supports individuals for these senior leadership positions through the support of coaches and mentors, formal learning events, and placements in a series of challenging developmental assignments. These 'stretch' assignments help enhance executive competencies[17] by having participants perform work in areas that are unfamiliar or challenging to them in any of a large number of organisations throughout the Canadian public service. For example, a participant with a background in policy could develop his or her managerial competencies through an assignment to manage a direct service delivery programme in a different department. These assignments last approximately two years which allows time for participants to maximise their learning experience while providing the organisation with sufficient opportunity to gain a real benefit from the participants' contributions.

AEXDP reinforces the learning provided by the development assignments with initiatives such as 'action learning groups' where small groups of participants meet periodically to discuss work situations and experiences, while simultaneously developing a government-wide network of contacts that they can call on in the future.

One challenge sometimes encountered with development assignments in general is that managers resist letting their high potential staff leave their current positions

to move to another organisation. The Canadian public service have overcome this by guaranteeing that once individuals are accepted into the AEXDP they become employees of, and paid by, the Public Service Commission, a central agency. A further benefit of this is that a government-wide rather than agency-specific culture is fostered among AEXDP participants.

5. WFP can be used to address specific human capital challenges
Workforce planning requires organisations to consider the strengths and weaknesses of their workforces in a comprehensive way. In this way, challenges that might otherwise go un-addressed, for example, the need to attract and recruit minorities into the public service, responding to an ageing workforce, maintaining high potential staff or developing leadership capacity, are considered and appropriate responses developed.

Example
Canada's Office of the Auditor General specifically identifies the retention of high-potential employees as a goal of WFP. The comprehensive development opportunities available raise the 'exit price' that a competing employer would need to offer to lure the employee away.

Example
The UK Cabinet Office created Pathways, a two-year programme that identifies and develops senior managers from ethnic minorities who have the potential to reach the Senior Civil Service in three to five years. The programme provides executive coaching, skills training, and the chance for participants to demonstrate their potential through a variety of development activities and short-term work placements. Pathways is actively marketed through a series of nationwide information meetings held in organisations with large ethnic minority populations. In addition, information is sent to the top 600 senior executives across the civil service who are encouraged to supplement the self-

nomination process by nominating potential candidates.

6. WFP can facilitate broader transformation effects
Through identifying and developing leaders who support and champion change, WFP can facilitate broader transformation in organisations.

Example
The UK Department of Health has embarked on a ten-year plan to modernise the National Health Service. Through a pro-active approach to WFP, the NHS selects and places executives who will champion its reform efforts. For example, the National Primary Care Development Team created a leadership development programme specifically designed for clinicians with the expectation that they would in turn champion new clinical approaches and help manage the professional and organisational changes taking place within the civil service.

4.3.1 The strategic staffing process
Bechet (2002, p.39) suggests that the strategic staffing process results in two major outputs or deliverables: staffing strategies (which describe what will be done in the long term to address critical staffing issues) and staffing plans (which describe specific, short tem, tactical plans and staffing actions to be implemented in the near term). In developing these outputs, Bechet suggests there are four steps:

Step 1. Define critical staffing issues/areas of focus
Strategic staffing efforts should concentrate on a relatively small number of particularly critical staffing issues (e.g. the ageing of the workforce, the need to attract certain key skills) or job categories (e.g. AO development), not an entire business unit or organisation. Thus, the first step in the process is to identify and prioritise your most critical staffing issues, which needs to be done within the context of overall business strategy. In other words, you identify the particular aspects of your business plan that have, or may

have, staffing implications, for example in terms of staffing levels or capabilities.

Step 2. Define staffing gaps and surpluses
Once you have selected an issue, the next step is to develop a staffing model that defines staffing requirements, forecasts staff availability, compares demand to supply, and calculates staffing gaps and surpluses for each job category for each period in your planned horizon.

The challenge in developing the model is that information may be incomplete or events will occur over the course of your planning horizon that affect your model, people will leave the organisation through retirement, may change jobs, be promoted or redeployed. Bechet (2002, p.108) proposes a number of 'alternatives to perfect data'. These include doing the best you can with imperfect data, fully solving part of the problem, engaging in 'what if' scenarios, preparing contingency plans or testing possible solutions.

In as far as possible, it is necessary to factor in uncertainty or unresolved issues by making assumptions regarding the losses, additions and movements that are likely to occur. For example, two possible ways of factoring in projected retirements into staffing assumptions are:

- Calculate the average retirement age and then count the number of individuals in each job category that will reach that age over the life-time of your strategy

Or, more accurately:

- Forecast retirements based on actual eligibility. Determine the individuals in each job category that will become eligible for retirement. Next create an assumption that describes how many of those who are eligible will retire in each year (e.g. an equal proportion over each year of the strategy or spread the retirements out unevenly over the lifetime of the strategy). A reasonable concluding assumption might be the average of both approaches.

Step 3: Develop staffing strategies

The next step is to review the preliminary staffing gaps and surpluses, as calculated in your model, across all the periods (probably years) in your planning horizon (three to five years?). Create a series of long-term, directional plans of action that describe what your organisation should do to address those issues most effectively. It is important to note that strategies are not simply general approaches that seem to make sense. Because of the process you have engaged in through steps one and two, they will be strategies that are based on identified, actual needs.

Examples of strategies are:
- Re-deploy individuals that are surplus in one area to a different area, thereby improving organisation performance and providing your staff with a new learning opportunity.
- Develop your graduate development programme.
- Meet needs at senior levels through a 75%/25% blend of promotion from within and external recruitment.

Step 4: Define staffing plans

After you have developed staffing strategies that span your complete planning horizon, examine the specific staffing needs for each period (possibly a year). Using the staffing strategies developed in the previous step as a long-term context, define staffing needs for each period.

Regardless of its particular format, any staffing plan must provide a list of specific actions to be implemented to eliminate staffing gaps and surpluses for a given planning period. Staffing plans might be based around some of the following: promotions, use of contractors, increasing over-time or accelerating internal movement. Your staffing plans should be supported by defined actions, accountabilities and time frames.

4.4 Developing an approach to succession planning

In an article written directly in response to the very considerable number of retirements from the United States

public sector over the next decade,[18] Ibarra (2005) points to the importance of succession planning as a response. He suggests that three core factors act as barriers to succession planning:

- the assumption that your employees retirement options are a don't ask, don't tell issue
- the assumption that pre-determining the best candidate for a position resembles favouritism
- the principle of seniority as the primary factor in promotions.

Unfortunately there are no easy ways of changing these deep-rooted cultural beliefs. However, assessing each of the issues and establishing a view in relation to its prevalence within the organisation is a helpful starting point in mitigating its influence. A further step is to revise policies or negotiate new terms with employees and their representatives. While not generating short-term results, this approach will bring structural long-term benefits. Finally, placing succession within a strong development culture, where all staff are encouraged and supported in self-development, reduces negative perceptions of it as an elitist activity.

The most obvious advantages of succession planning are that the process of job-filling is enhanced through broader candidate search and faster decisions. In a review of succession planning for the Institute of Employment Studies in the UK, a senior manager from Unilever is quoted as saying 'a formal succession management process is designed to avoid 'being in the right place at the right time' being the principal appointment mechanism'.

Other less obvious benefits of succession planning include the advantage of having precise data in relation to key posts, key people and the competencies available within the organisation. An organisation is also more likely to attract and retain the best employees if they are offered tailored and varied career and development experiences. Furthermore, succession planning ensures that valued

employees are aware of how the organisation regards them. This adds significantly to the positive aspects of an employee's psychological contract. Finally, succession planning can help foster a positive corporate culture as the process can lead to a sharing of values and modes of behaviour. As Hirsh concludes (2000, p.25), major employers have come to realise that the quality of their management is perhaps the most fundamental and least replicable aspect of business excellence, any activity which supports it is therefore worth supporting.

Ibarra (2005) notes that a comprehensive strategy for instituting succession planning involves a series of strategies and tactics that together make up a project plan. These stages are outlined in Figure 3.1.

Figure 3.1: Succession Planning: A Project Plan
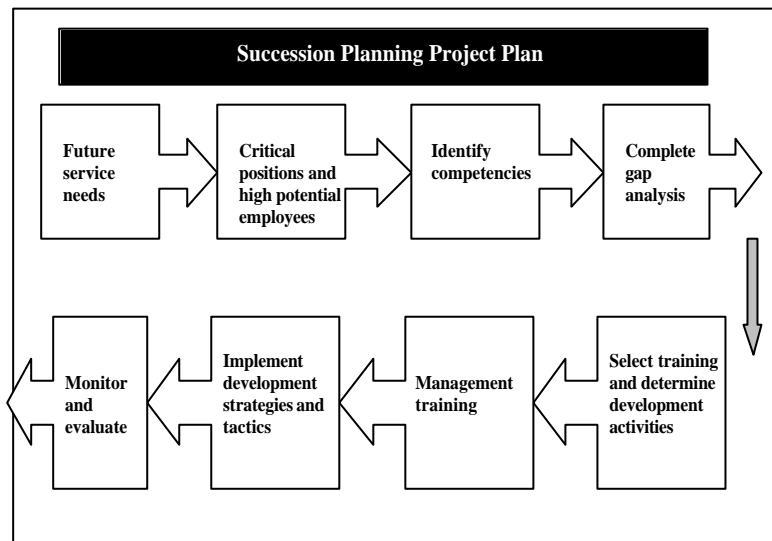
Source: Ibarra P, Public Management, Jan-Feb 2005, p.20

1. Assess future service needs
Identify current and future priorities, taking fully into consideration the impact on the development needs of the employees responsible for delivering the services.

2. Identify critical positions and high potential employees
Critical positions are those that are essential for the organisation, department, division or team to achieve necessary work results. A high-potential employee is someone who has the capability to advance to one of the following: 1) a critical position; 2) a higher level of responsibility; or 3) a higher level of technical proficiency. This identification stage should be completed by senior management.

3. Identify competencies
Rather than limited and inflexible job descriptions, it is more appropriate to move towards the use of competencies that cut across job classifications, departments and even organisational boundaries. Examples of competencies include decision making, managing conflict, or coaching abilities. Competencies should be integrated into the organisation's performance management system and into training and development. The point of identifying competencies as part of succession planning is to choose those abilities that are necessary for today and tomorrow's workplace.

Appendix One provides information in relation to *Professional Skills for Government*, an initiative launched by the HR Transformation Unit of the Cabinet Office to develop competencies across the UK civil service.

4. Do a complete gap analysis
Conduct a gap analysis to determine the existence or extent of a gap in the competencies for each position.

5. Select training and development activities
A variety of resources is available for individual and groups to close the gaps and build stronger competencies in employees. These might include: job assignments, on the job coaching, job enrichment, attending higher level meetings, training sessions, understudy, job rotation, 'acting' assignments, self-study, shadowing, task-force assignments and mentoring sessions. The range of options

available to organisations serves to emphasise that an over-reliance on classroom training is undesirable. Many areas in which employees need to improve their capabilities cannot be solved by a training workshop but instead must be enhanced 'on the job'.

This step of the succession planning process provides for the selection and design of these development strategies. In addition, a range of other areas should also be considered at this stage, including recruitment and selection, retention and organisational interventions such as process improvement.

6. Conduct management training

A fundamental prerequisite of succession planning is that management have the skills to implement it. Managers should therefore participate in training focused on augmenting the skills and expanding the knowledge necessary to develop the talent of their direct reports. Each manager within the organisation must work to identify key replacement needs and the high potential people and critical positions to include in the succession plan.

7. Implement development strategies and tactics

Managers ought to determine when strategies should be implemented, but before they begin implementation they should communicate the plan to all employees. It is particularly important to obtain feedback from employees to determine how well the communication plan is working.

8. Monitor and evaluate

Once succession plans have been introduced, managers should monitor progress, evaluate the implementation, and revise as needed.

5

Workforce planning case studies

5.1 Introduction
The objective of this chapter is to show how a number of organisations, both public and private sector, have in practice implemented aspects of workforce planning. The United States Government Accountability Office (GAO) significantly changed its approach to personnel management and staffing in response to business needs and the changing profile of its workforce. Vodafone Ireland has implemented a comprehensive and development focused approach to succession planning that addresses the needs of all employees. The Marine Institute had to change its approach to staffing in response to its relocation to Galway. Finally, Arup Engineering has developed a graduate development programme and mentoring scheme to support recruitment, retention and staff development.

5.2 Developing workforce planning in a public sector organisation. Case study - The United States Government Accountability Office
The US Government Accountability Office (GAO) conducts financial and performance audits, programme evaluations, management reviews, investigations and provides legal services to the US civil service. It has a staff of approximately 3,300 employees, the majority working as analysts (GAO, 2004).

Until 1980, GAO's personnel system was indistinguishable from those of other agencies. However, with the expansion of its role to encompass the congressional oversight of government departments, concerns grew about the potential for conflict of interests. Could GAO conduct independent and objective reviews of organisations such as the Office of Personnel Management (OPM) when the OPM had the authority to review GAO's internal personnel

activities? As a result, legislation was passed giving the GAO executive greater flexibility in hiring and managing its workforce. In particular it was authorised to appoint, promote and assign employees independently, set employees pay without regard to the federal government's classification standards and establish a merit pay system for certain categories of employees.

Throughout the 1990s GAO underwent significant budgetary cuts. In response it implemented a virtual hiring freeze which pushed the average age of its workforce upwards. However, the impact of this was that by the mid-2000s, about 34 per cent of all employees would be eligible to retire, and 55 per cent of all Senior Executive Service members. In addition to the succession related concerns raised by such a profile, GAO also faced a range of skills gaps. With major policy issues becoming increasingly complex, the need for sophisticated technical skills had grown.

As a first step in addressing these concerns, GAO sought to align its human capital with its overall strategic goals and objectives. This resulted in the elimination of a layer of management and the consolidation of thirty-five issue areas into thirteen teams, and a reduction in field offices from sixteen to eleven. These changes enabled GAO to become 'less hierarchical, process-oriented, 'siloed' and internally focused and more results-oriented, partner-based, client focused and externally aware' (GAO, 2004). Other major initiatives included an overall human capital assessment (a profile of their staff and their competencies), a revitalisation of recruitment and college-relations programmes, a workforce planning process, and the establishment of a professional development programme for entry-level analysts.

In addition to these initiatives, GAO's leadership recognised that additional steps to reshape the agency's workforce were necessary. This required further legislation, the GAO Personnel Flexibilities Act (2000), which gave the organisation specially tailored flexibilities to reshape its workforce further and to recruit and retain staff with the necessary technical skills. In particular it was given the

opportunity to offer early retirement and separation incentive payments to some employees, which facilitated the realignment of the workforce, and to establish senior-level scientific, technical and professional positions with the same pay and benefits applicable to members of the Senior Executive Service. These changes have helped GAO to address succession planning and skill imbalance issues in addition to increasing the number of entry-level staff that can be recruited. Eight senior level positions, including Chief Accountant and Chief Economist have also been filled.

At the same time GAO's HR function has also worked at modernising its approach, in particular transforming itself from a support function involved primarily in managing personnel processes to one that has the data and analytical tools necessary to assess GAO's workforce requirements, manage risk, and provide managers with the human capital services they require to achieve their business goals and objectives. The unit has identified a range of workforce performance indicators (many of which are measured through an annual employee survey) to facilitate data reporting and benchmarking.

Finally, a Human Capital Strategic Plan has been developed. This identifies the four overarching areas in which GAO will continue to make efforts to improve its human capital management: leadership, strategic human capital planning, acquiring, developing and retaining talent, and creating a results-oriented organisational culture.

Key learning points
- It is important to critically assess the quality and organisation of your workforce in the context of organisation goals. Do staff have the necessary competencies? What messages are being communicated to staff through the approach to human capital management? – this is a hierarchical organisation, where seniority matters more than talent, your development depends on the quality of your line manager and there is little cross-divisional co-operation *versus* we are aware of our workforce requirements both

now and in the future, we know the competencies of our staff and through training and development or, where necessary, open recruitment are working to address any gaps. We recognise and develop potential throughout the organisation.

- The HR unit must have professionals with the necessary skills and experience to provide effective human capital management (assess workforce requirements, facilitate and promote the development of high potential staff at all levels in the organisation while also supporting staff development for all, be innovative in breaking down 'siloes' and rigidities, managing risk etc)

- Professional staff (accountants, economists, specialists etc) should have similar career progression to civil service generalists. Top management positions should be open to senior level technical and professional personnel.

5.3 Implementing an integrated approach to succession planning. Case study - Vodafone Ireland

Vodafone Ireland, part of the world's largest mobile telecommunications company, directly employs 1,300 people in Ireland. As part of an organisation with over 60,000 employees in eighteen countries and a high degree of mobility between operating companies, good succession planning is regarded as essential. In 2004/05, a new approach to succession planning with the aim of recognising and promoting potential talent throughout the organisation was implemented. Half-day development boards were held in each of the seven divisions, involving the senior management team from that division and facilitated by HR. The objective of these sessions is to review in a general way the capability picture of the function – the competencies of staff, level of potential talent and leadership capacity, and also, more specifically, the performance and potential of each employee.[19]

Development boards are scheduled soon after year-end performance reviews and their usefulness depends very much on the knowledge and understanding of their staff

which managers have gained through effective performance management throughout the year. In order to make assessments as objective as possible, the potential of employees is considered in the context of a series of relevant criteria (Table 5.1) complemented by information (from performance review forms) in relation to the employee's own short to medium-term career plans. Development boards operate at all levels within the Vodafone group. The Irish CEO and directors review the senior management team, while they themselves are reviewed by a regional board.

Table 5.1: Assessing the Potential of Employees at Vodafone Ireland[1]

Question	Answer
Track record on performance delivery	
Ability to drive for and achieve results	
Clear strengths that make the employee distinctive	
Ability to influence/impact	
Speed of learning	
Demonstrate living the Vodafone values	
Would they succeed in a role requiring significantly different skills?	
Can you pinpoint a larger role in the same band that they can feasibly move into?	
Can you pinpoint a role in a higher band that they can feasibly move into?	
Do they have mobility to move into different roles either locally/globally	

[1] Potential reflects an individual's capability and capacity to assume additional responsibilities or assume a larger role within the organisation

Source: Vodafone Ireland, 2006

In reviewing staff, the development boards adopt quite a sophisticated approach, noting where staff have a high degree of potential and are ready for promotion, or where broader experience is needed, perhaps through a lateral move or increased responsibility. Low performers are also identified and the reasons for this considered. Finally, the development needs of the majority of staff, those in a middle

category who are meeting expectations, are also reviewed (Figure 5.2).

Figure 5.2: Performance and Potential Matrix[1] - The Outcome of Vodafone Ireland Development Boards

Technically possible but
unlikely combination

Potential Rating

ABOVE band
requirement*

**Promotable to next
band within 12
months**

ABOVE role
requirement

**Develon/Progress
within band in next
12 months**

MEETS role
requirement

**Develon in role next
12 months**

**Continue develon in
role and monitor
potential carefully**

**Develon or
Move in next
12 months**

BELOW role
requirement

Low   **Med**   **High**

Performance Rating

For those who are 'light grey', clear targets and actions must be set to improve performance. This may involve targets for existing role, or perhaps a move to a role that is more suitable for them (either skills wise or level of responsibility). It must also be recognised that it may include a move out of the organisation. For people placed in 'dark grey' this is a strong message that they are doing a good job and can continue to develop in their role. Career planning discussions are extremely important for this category. It is important that they know how their development fits into their overall plan
For those in black and white it is extremely important that actions are taken to remove organisational barriers preventing the individual from moving role or taking on additional responsibilities. It is important their career aspirations are both realistic and ambitious enough. They must also see their responsibility in making this happen.

Source: Vodafone Ireland, 2006, internal document

Confidentiality and non-attributable feedback are core principles of the sessions; also, all contributions must be evidence-based, with one of the roles of the HR facilitator being to ensure that this is enforced. The output of the

development board is an action plan in relation to staff development, the implementation of which is monitored over the following year by HR.

The approach within Vodafone does not involve individual employees being specifically told that they are 'high potential',[20] though staff are fully aware that the boards are taking place and are given general feedback in 'one-to-one' meetings and performance reviews. In addition, development boards help sections to audit their workforce – the range of skills available, future skills requirements, and the development needs of staff in order to successfully meet these demands. This reflects the reality that there is unlikely to be more than 10% truly high potential individuals within any one grade,[21] and therefore the performance of the organisation depends to a large degree on the contribution of the vast majority of staff, which is in part influenced by the message given to them in relation to their position within the company.

Developing a comprehensive approach to succession planning has also had a number of related benefits, in particular a higher level of support for and confidence in the performance review process (as evidenced in employee surveys). Staff appreciate that career development plans identified during performance reviews will be followed through in development board action plans (for example, requests for a transfer to gain experience in another area, for increased responsibility or greater cross-functional exposure), while managers are aware that they need to regard performance management as a serious ongoing responsibility in order to contribute meaningfully at boards.

HR plays a critical role in implementing and monitoring the succession planning process. In addition to initiating and facilitating the development boards, it monitors the implementation of action plans, in particular reviewing what managers are doing to support both high and low performers. It also actively works towards developing the performance management skills of managers through compulsory courses in areas like coaching, staff development, team meetings, resource planning and

recruitment. In addition to a senior HR manager with responsibility for recruitment and resourcing, each division has a dedicated HR account manager, with the particular responsibility of supporting junior and middle managers in relation to people management issues.

Key learning points
- Succession planning involves a formal procedure and time is set aside specifically for this purpose. It is not conducted on an ad-hoc basis, dependent on the people management skills of line managers.

- Succession planning is linked closely to the performance management system, this helps to ensure that both managers and employees take the process more seriously as they are aware they will be accountable for the outcome of performance reviews.

- A very broad view of potential is taken and the performance and development needs of the vast majority of staff is considered. The same approach is employed at all levels in the organisation.

- HR plays a critical role in the process through developing the process, initiating and facilitating development boards, monitoring the implementation of action plans and actively developing the people management skills of line managers.

- Employees regarded as displaying high potential are not specifically told this. However, every effort is made to promote their development and to show them that the company values them.

5.4 Succession planning as a support for relocation. Case study - The Marine Institute
The Marine Institute was set up in the early 1990s to undertake, co-ordinate, promote and assist in marine research and development and to underpin future innovation and growth in the marine sector. Business is organised around seven service areas: aquaculture and catchment management services, environment and food

safety, fisheries science services, the Irish Maritime Development Office, ocean science services, strategic planning and development, and corporate services.

In 1998, a government decision was made to relocate services from Dublin to Galway. This was particularly challenging, as a majority of staff at the Institute are scientists with specialist skills and experience who would be difficult to replace if they chose not to move with the organisation. However, from the start there was leadership commitment from the CEO and chairman of the Marine Institute Board in relation to the relocation.

A partnership approach was adopted for ensuing discussions, with management, union and staff representatives agreeing to address the issues jointly. Initially, an interim collective agreement was reached which, following discussions with the Department of Finance and the trade unions, acknowledged the possibility of voluntary severance, while also reinforcing the message of the importance of maintaining a quality service at all stages in the relocation process. At the initial planning stage the Institute factored in the possibility of up to sixty leavers. However, ultimately, only twenty staff left over a seven-year period directly as a result of the relocation.

A risk management exercise was conducted which looked at services delivered, resources and people and how any of these might be replaced in the event of a crisis. This was followed by a specific audit of key positions in the context of the relocation. All of the approximately 150 jobs within the organisation were reviewed. Staff working in jobs where a high degree of specialist expertise was required, together with individuals with extensive organisation knowledge were identified. These employees were critical to the Institute's ongoing success and therefore strategies were required to help ensure that they would either move to Galway or, at least, remain with the organisation as long as possible. In addition, it was determined that a small number of positions could be accommodated in Dublin where an office would be retained.

During the period following the announcement of relocation, the Institute developed its HR practices. PMDS

was introduced in 2001 and the organisation was awarded FÁS's *Excellence Through People* accreditation for its training and development practices. A specific commitment was also made to succession planning and, where possible, the promotion of internal employees. In order to help staff acquire the range of competencies they would need to move to the next level, a shadowing programme was introduced. This involves a junior member of staff working closely with someone more senior. An emphasis has also been placed on cross-divisional working groups, which facilitate the transfer of knowledge.

The process of relocating the Institute from Dublin to Galway took seven years. Identifying a suitable location and the building of state-of-the-art new laboratory facilities took considerable time. During this period, ongoing communication with staff was maintained through the partnership committee and other initiatives, for example 'away days'. The objective was to maintain motivation and encourage staff commitment. This was a hands on change management process, which involved 50% of the CEO's time and focus throughout the relocation programme.

Key learning points

- The stages and processes involved in managing a relocation cannot be rushed. It takes time for people to adjust to and prepare for major change

- Planning emerges as critical, particularly in relation to what can be achieved in respect of business objectives while the relocation is ongoing.

- The partnership process is critical in facilitating 'buy-in' from staff and as a communication channel

- Identify at an early stage the positions and people critical to the successful delivery of the organisation's objectives. Strategies can then be put in place to ensure the highest possible level of retention of these individuals.

- Open communications and 'managing by walking' about are vital during critical decision periods to strengthen the involvement and consultation processes.

5.5 Graduate development and mentoring. Case study - ARUP Consulting

Arup Consulting Engineers was established in 1946, initially as a firm specialising in structural engineering, but subsequently has expanded to cover the full spectrum of engineering disciplines. While affiliated to Ovarup firms globally, the company in effect operates as an independent franchise. As a trust, without shareholders, profits are shared between staff. The company employs 420 people at offices in Dublin, Cork and Limerick.

As part of a re-organisation of HR and, in particular, a reassessment of the appraisal system, the company decided to introduce a graduate development programme and mentoring scheme for all technical staff. The scheme is open to all new entrants and typically runs for five to six years until the participant has obtained chartered engineering status.

The graduate programme encompasses the support of a mentor assigned to each graduate; a graduate folder providing a breakdown of competencies considered to be key in developing towards chartered engineer status; continuous professional development activities, which include classroom-based training, lunch-time seminars, presentations and weekly team reviews; and lastly, support in maintaining a learning log, which helps new recruits to identify what they have learnt and areas for improvement, while also encouraging participants to take ownership for their own development.

The purpose of the mentoring programme is to provide ongoing personal support for those participating in the graduate development programme. Mentors are experienced, senior members of staff, though usually not from the same team as the person they are mentoring. Participants are required to complete a progress form every three months indicating their current work, any gaps in their development and their objectives for the next three months. This is reviewed by the mentor, who also talks to the person's line manager, before meeting with the participant to discuss their development on a confidential basis. It is explained to all participants that the onus is on

them to drive the process, schedule the meetings and send their reports in a timely manner. If they fail to follow-up, their manager may choose to end the mentoring relationship. Similarly, if the mentor does not provide the level of support which the company has committed to, another mentor will be appointed.

There are many advantages of the system. Firstly, all graduate recruits or those appointed at relatively junior levels have an opportunity to discuss work issues with a more senior colleague with whom they do not work or report to; secondly, it ensures that staff development is actively supported and that junior members have many opportunities to benefit from the advice and experience of their mentors. In addition, the mentor is able to ensure that the participant gets exposure to the broad range of learning opportunities required to move to the next stage. Lastly, from the organisation's perspective the mentoring programme sends a strong signal that the company is committed to personal development, something which operates as a powerful retention tool.

Key learning points
- Graduate development and mentoring is given a very high level of priority at Arup. It is seen as a recruitment and retention tool and also as critical to staff development
- A formal process is in place which guarantees that reviews and learning takes place. If a participant is not getting a comprehensive range of experience this will be identified and addressed.

5.6 Chapter conclusions
The purpose of the case studies in this chapter is to show how a number of organisations have in practice implemented aspects of workforce planning. Good workforce planning implies critically assessing the quality and organisation of your workforce in the context of organisation goals. Specific initiatives identified as key include the auditing of staff resources and competencies,

the development of formal procedures in relation to succession planning which are linked to the performance management system, and a comprehensive approach to graduate development and mentoring.

6

Analysis and conclusions

6.1 Introduction

The age-profile of the Irish civil service is mounting. The average age of civil servants has risen from 34 years in 1985 to 41 in 2004. Furthermore, this trend is due to continue with the proportion of staff over fifty years projected to increase from 25% at present to around 45% in a decade.

The ageing of the civil service presents wide ranging human resource challenges, dealing with a large number of retirements and the consequent loss of skills and experience, extensive promotions at all levels and the challenge of continuing to attract significant numbers of talented new recruits. The medium-term challenges presented by an ageing workforce are further exacerbated for the Irish civil service by the government's decentralisation programme. Plans to move up to 10,000 civil servants from the capital have very similar implications to those related to ageing.

To date there is no civil service-wide policy or approach in relation to ageing. The one significant reform aimed at adapting the management of the public services to the challenges created by an ageing population is the removal of the compulsory age for retirement for new entrants to many areas of the public service, an initiative with as yet an unclear future impact.

The overriding conclusion from this paper is that planning for and managing changes in relation to staffing is essential. Furthermore, a positive and pro-active approach to staff departures can actually provide opportunities. There is a chance to bring in a new profile of employee, to change the allocation of staff across divisions, to improve job filling and, in certain circumstances, to reduce overall staff numbers.

The focus of this research has been to provide guidance as to how organisations can develop a more strategic

approach to staffing. This has included an assessment of current approaches and also discussion in relation to possible barriers to reform in this area. It has been acknowledged (PA Consulting, 2003) that the pace of progress in respect of HR reform has been slow, and that workforce planning is more complex in an environment of uncertainty. However, it is concluded that government departments and offices need practical, effective and targeted staffing strategies and that individual organisations should develop an approach that meets their own needs and supports the achievement of their objectives. In the main this can be done within existing departmental resources, though in organisations lacking professional HR expertise the recruitment of a HR specialist would be strongly recommended. However, in order for priority to be given to these areas, it is essential that the secretary general and senior management team are committed and take responsibility for effective workforce planning.

6.2 Workforce planning

Workforce planning encompasses a range of human capital management tasks required in modern organisations, including skills analysis, the resourcing strategy, the approach to job-filling, identifying successors and management development (Insitute for Employment Studies, 2003). At present in the Irish civil service, PMDS, the performance management system, identifies gaps in the skills and experience of individuals to an extent, and the integration of the system with other aspects of HR policy is intended to establish a direct link between performance in one's current role and career progression. In addition, individual departments have developed initiatives in areas like training and mobility.

However, in general, these activities do not have a strategic focus (linked to business objectives) and have not been developed in the context of specific staffing concerns. For example, will a particular initiative support the attraction and retention of staff, will it help to develop future leaders, does it address specific skills gaps identified

by the organisation or for which there is extreme competition externally, or will it change the profile of the organisation?

This section provides a summary of current approaches in respect of the three core areas discussed in this report, selection and job-filling, a more strategic approach to staffing, and succession planning, and makes recommendations in respect of improvements.

6.2.1 Selection and job-filling

A core aspect of an organisation's workforce planning is its recruitment and selection strategy. At present numbers entering the civil service above clerical level are very small. *Sustaining Progress* provided for some recruitment of specialists and also external candidates at HEO and AP level; however, the numbers recruited have been negligible. This is a cause for concern as, similar to other aspects of HR, recruitment requires a strategic approach in order to help build organisation capability. While other initiatives such as developing existing staff should not be neglected in favour of external recruitment, it is still necessary to focus proactively on bringing into the organisation the kind of skills and experience that cannot easily be built from within.

The somewhat expanded provisions for open recruitment at senior levels included in the proposed new national agreement, *Towards 2016*, may improve the situation. However, it remains the case that the unions' response at local level to each proposal to advertise an open recruitment post will determine the success or otherwise of the agreement.

In the main, government departments and offices have not carried out staff audits – how many people do we have, what are their skills, knowledge, experiences and attitudes to change; how many people will we need in the short-tem (2-3 years); what will their skills be? Greater evidence-based recruitment should be central to any new approach to recruitment within the civil service, whether this is done by departments themselves or in conjunction with the Public Appointments Service.

As noted above, the vast majority of new entrants join the civil service as clerical officers. While there is nothing inherently wrong with this, it implies that the civil service does not benefit from the skills, ideas, experience and outlook of people who have worked at senior levels in other sectors. The problem is exacerbated by the fact that many staff recruited to EO and AO posts through open competitions are already civil servants. In order to guarantee that the civil service has the most talented workforce possible, and against a background of an ageing civil service, it would seem very desirable that a greater number of senior staff are recruited via open competitions than the current very low levels.

6.2.2 Strategic staffing

A number of key learning points emerge for the Irish civil service from the analysis in chapters three and four. Firstly, it is important that the quality and organisation of a department's workforce is critically assessed in the context of its business goals. Despite a long-standing objective to ensure a more strategic approach to the management of staff resources (DBG, 1996, p.32), this has not happened in any meaningful way within the civil service.

A fundamental consideration for all organisations should be whether staff have the necessary competencies to meet current and future business needs and, also, what messages are being communicated to staff through the organisation's approach to human capital management (e.g. this is a hierarchical organisation, where seniority matters more than talent, your development depends on the quality of your line manager and there is little cross-divisional co-operation *versus* we are aware of our workforce requirements both now and in the future, we know the competencies of our staff and through training and development or, where necessary, open recruitment, are working to address any gaps. We recognise and develop potential throughout the organisation.)

This can only be achieved through planning and managing changes in the organisation's staff profile and proactively addressing issues like resourcing, skills

development and acquisition, the identification and development of talent etc. Undoubtedly, uncertainty, for example in relation to what proportion of staff may retire before they are 65 or the precise impact of decentralisation, makes this more difficult. However, as highlighted by Bechet (2002, p.301), 'the breakthrough occurs when we can define specific staffing strategies and actions even when we don't know exactly what is going to happen'. As noted in Section 4.3.1, there are a number of techniques for dealing with uncertainty and incomplete information.

6.2.3 Succession planning

As is evident in chapters four and five, succession planning has evolved from identifying successors for senior management, towards a more holistic and integrated approach, focused on building capability throughout the organisation.

Within the Irish civil service, succession planning is generally perceived as being difficult. In the main, individuals are seen as responsible for managing their own careers, and departments accept that they may lose many talented employees because they look for promotion opportunities elsewhere. Initiatives like PMDS do aim at enhancing individual performance. However, as noted in sections 3.4.2 and 3.4.3, the focus of PMDS is somewhat short-term and its integration with other HR policies, including promotion, untested.

Therefore, to date, organisational interest in the career progression of talented individuals within the civil service has largely been random and dependent on the interest of managers for whom an employee works. If, unfortunately, someone works for a manager with little interest in staff development, there are no formal obligations or safeguards. Secondly, and inevitably, such an approach, which necessitates a high degree of individual attention, is likely to focus only on one or two high potential individuals. Thirdly, in the absence of a systematic and evidence-based approach, there is a risk that someone gets promoted by 'being in the right place at the right time' as opposed to because they are objectively the best candidate.

Finally, where individuals have sole responsibility for promoting, or at least promoting the chances of certain employees reporting to them, it is likely that the organisation will simply replicate itself. People will typically be drawn towards employees with qualities similar to their own, resulting in a 'cloning' effect. Meanwhile other employees, with different though complementary capabilities, go unrecognised and either become frustrated or leave the organisation.

This paper recommends that as part of an overall approach to workforce planning, individual departments should review their approach to the development and progression of staff at all levels in the organisation. The integration of PMDS with other HR policies will support this. However, considerable effort will be required in communicating the changes to staff and ensuring that they are implemented in a consistent, fair and transparent manner.

Lastly, the one area of succession planning where it is felt the centre should take lead responsibility is in respect of senior management development. This does not imply that certain individuals are identified for top-level posts in a manner likely to produce many of the shortcomings detailed above; rather that a civil service-wide approach is taken to the development of strong leaders capable of meeting the high performance demands of modern government.

6.3 Concluding comments

The Irish civil service is experiencing an ageing challenge. While currently less pronounced than in many other OECD countries, as identified in chapter two, in several departments over 40% of staff are due to retire over approximately the next decade. Furthermore, the Department of Finance has estimated that the proportion of staff aged over fifty is set to increase from 25% at present to around 45% in ten years time. In addition, the government's decentralisation programme will result in further loss of key personnel who chose not to move with their jobs to locations outside the capital.

This paper reviews the role which good HR practices, in particular workforce planning, can play in addressing this situation. Workforce planning supports more effective recruitment and job-filling, the deployment of staff resources and the development and progression of staff. In addition to enhancing organisation capability, workforce planning also has the potential to benefit the civil service through helping to address specific human capital challenges. Ireland has in a short period of time become a highly diverse society. The public service does not reflect this. A more strategic approach to staffing would facilitate the attraction and recruitment of minorities thereby ensuring that departments and offices benefit from available skills and experience while also ensuring a civil service that is more representative of society as a whole.

The critical point is that organisations develop a more strategic (linked to organisation objectives) and integrated (a joined-up perspective towards specific initiatives) approach to all aspects of workforce planning. This report has focused on three areas where there is considerable scope for progress within the civil service – effective selection, a strategic approach to staffing and succession planning.

However, change will not take place in these areas unless supported by a senior management team that is committed to HR reform and HR units that include staff with the necessary skills and experience to effectively implement and manage the kinds of initiatives discussed in this report.

Finally, good human capital management is more challenging in an environment of change and uncertainty. However, faced with undoubted difficulties, the worst option is to do nothing because the relevant data is perceived to be too difficult to gather or because more complete information may emerge at some point in the future. Rather, organisations need to forge ahead with their workforce planning and do the best they can with what they have. As emphasised by Bechet (2002, p.107), typically organisations will know more than they think they do about their staffing requirements and, in most cases, there will be

plenty of data available to create useful staffing plans. As he concludes, 'a complete solution to part of a problem is better than no solution at all'.

Within the Irish civil service, the slow pace at which a more strategic approach to HRM has been adopted, the absence of a culture of people management and rigidities in terms of the grading structure, further add to the difficulty of being innovative in areas like strategic staffing and succession planning. However, while areas of major HR reform are required,[22] there are many initiatives described in this paper which individual departments and offices do have the capacity to act on. Doing so will greatly support their organisations in addressing the twin challenges of ageing and decentralisation.

Developing competencies in the UK civil service

The *Professional Skills for Government* (PSG)[23] was launched in September 2005. Its aim is to ensure that UK civil servants have the skills and experiences needed to design and deliver twenty-first century services. All professions across the civil service have been required to identify the necessary skills and experience within their profession at particular career stages. The aim is to provide more clarity and consistency of what is expected of individuals, and to provide a clearer framework for career development.

PSG in the civil service is moving away from the concept of 'generalist' and 'specialist' to three career groupings: corporate services, policy delivery and operational delivery. Civil servants across each of the three career groupings will be required to demonstrate skills and expertise in four areas:

- Leadership: PSG sits alongside and helps to drive forward the *Improving Leadership Capacity* vision agreed in 2004.
- Job related professional experience: specific skills related to each profession, for example, HR professional skills
- Wider experience of other ways of working: for existing or aspiring members of the Senior Civil Service (SCS)
- Core skills of all civil servants: people management, financial management, programme and project management, and analysis and use of evidence, In addition, those in or aspiring to the SCS will need to demonstrate skills in strategic thinking and communications and marketing.

Initially the PSG programme is only being rolled-out across those at grades seven (equivalent in Ireland to assistant principal) and higher. However, the intention is to roll this out to all grades in the future. The central PSG team based within the Cabinet Office has the responsibility for coordinating the development of PSG across all the civil service professions.

An example of the skills and experience necessary in respect of one of the core skills areas is detailed below.

Core skill: people management
Grade: Senior Civil Service, Pay Band 1 - Level 2

1. Develop team capability in line with business plan and organisational vision
To meet this requirement you need to be able to understand and explain…
- How capabilities are linked to organisational success
- Short and long-term development strategy

And provide evidence of…
- Effective workforce planning to meet requirements of business plan
- Can demonstrate how capabilities are linked to performance

2. Coaches and develops individuals and teams for high performance
To meet this requirement you need to be able to understand and explain…
- Advanced techniques for coaching
- Application of talent management planning
- Short and long-term development strategy
- The organisation's values and how this affects the vision
- How to create and maintain a positive working environment

And provide evidence of…
- Active management of PSG standards and gateways

- Act as a mentor for a high performer
- Development of others leading to improved performance
- Successful delivery of development strategy

3. Champions equality and diversity, and promotes best practice

To meet this requirement you need to be able to understand and explain…

- The benefits and barriers to promoting diversity initiatives
- The need to take account of equal opportunities within all areas of people management

And provide evidence of…

- Acting as a role model for promoting diversity
- Leading on diversity initiatives
- Reduced risk of discrimination through the application of departmental policy and legislation

4. Manages change effectively, identifying resistance building, engagement and involvement, and rewarding innovation

To meet this requirement you need to be able to understand and explain…

- How to manage people effectively through the change process
- The individual's 'change curve'
- Change management techniques and tools
- The principles of organisation design
- Departmental policy and employment law to meet corporate and legislative requirements

And provide evidence of…

- Advocating for change and leading by example
- Successful management of significant change requiring people's engagement
- Leading and facilitating focus groups
- Implementation of an improved team structure

5. Works in partnership with HR experts to achieve organisation's goals

To meet this requirement you need to be able to understand and explain…

- The role of HR Business Partner and how to work together effectively
- The relationship with trade unions and their agenda
- How to use HR systems, processes and technology to improve delivery

And provide evidence of…

- Working in partnership with HR to resolve issues and find solutions
- Successful use of HR services
- Acting within a framework of HR policy and supporting changes to meet organisation needs.

1 Data drawn from Department of Finance, Cen-sis figures, see Chapter Two.

2 The civil service's Performance Management and Development System

3 The Department of Finance, responsible for personnel and remuneration policy for the civil service as a whole, and the Department of the Taoiseach, responsible for public service modernisation.

4 Bechet (2002, p.107)

5 Organisation for Economic Co-operation and Development, *The Challenges of Managing Government Employees in the Context of an Ageing Population in OECD Member Countries*, GOV/PGC/HRM(2005)2/REV1

6 *The Challenges of Managing Government Employees in the Context of an Ageing Population*, Irish case-study, forthcoming OECD, 2006

7 Excluding the Gardaí, army and prison officers

8 Announced during the 2003 budget, the decentralisation programme in principle will result in 10,000 civil servants moving to locations outside Dublin, with sections moving outside the capital to include the head offices of eight departments.

9 '*Original Decentralisation Plans Declared Officially Dead*' - Bruton, *Public Sector Times*, April 2006, p.7; 'Civil Servants 'pawns' in Government Transfer Plan', by Chris Dooley, *Irish Times*, 6-5-2006;

10 Sometimes referred to as strategic staffing, human resource planning or by the more dated term of manpower planning. While these terms all broadly mean the same thing, this report will use the term workforce planning (the Institute for Employment Studies, 2003) as it is felt this most satisfactorily encompasses the various human capital management tasks required in modern organisations, including, skills analysis, the resourcing strategy, the approach to job filling, identifying successors and management development.

11 Strategic HR implies an integrated approach to HR policy and practice. Gratton (1999) suggests that this integration needs to take place at two levels – horizontal (the need for integration between the various HR interventions/procedures) and vertical integration (the need for integration between business strategy and HR strategy).

12 These points are discussed in greater detail in CPMR Discussion Paper No. 26, *Developing a Strategic Approach to HR in the Irish Civil Service*. The conclusions also draw on

Holbeche Linda (2002), 'Aligning Human Resources and Business Strategy'.

[13] Not all applicants attend the test centres; typically there is an attrition rate of about one-third. According to the PAS approximately half of the candidates sitting the tests are existing civil servants.

[14] General Council Report, 1452, Meetings of 25 May 2005 and 1 June 2005.

[15] Speech by the Taoiseach, Mr Bertie Ahern, T.D. at the national conference of the Institute of Public Administration, *Moving Towards the Public Sector of the Future*, 8 June 2006, available on the internet at:
http://www.taoiseach.ie/index.asp?locID=200&docID=2689

[16] In relation to this point, The GAO report notes that in a survey of Senior Executive Service staff in the US civil service, 67% reported that they had never moved to a different area of their organisation or to a different department, while 91% declared that they had worked in the same organisation for their entire career.

[17] *The Effective Use of Competencies in the Irish Civil Service* was extensively discussed in Butler and Fleming (2002), CPMR Discussion Paper No. 19.

[18] 80% of senior and middle managers in the federal government are eligible for retirement now (Ibarra, 2005, p.18).

[19] At present, in larger divisions, only the performance of managers is reviewed.

[20] A global leadership development programme for new managers does exist. One to two Irish employees might participate in this initiative annually. Individuals are identified through the development boards

[21] Vodafone has a very flat corporate structure, based around the principle that no member of staff should be more than five grades away from the CEO.

[22] The forthcoming review of HRM in the civil service by the Department of Finance is set to highlight many of these issues

[23] Further information available at:
http://hr.civilservice.gov.uk/psg/core_people_management/2a.asp

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