

## **HR Planning and Staffing: How are they connected?**

We hear the statement: “HR Planning is the foundation of staffing under the new PSEA”. But what does this mean and how do we make it happen?

### **Background**

HR planning is a generic term that can have many different meanings. For the purposes of this discussion, we mean the following:

HR planning is a process that identifies current and future human resources needs for an organization to achieve its goals. It means forecasting an organization’s future demand and supply for employees, based on its business needs; and subsequently developing and employing the strategies required to meet these needs. It involves a gap analysis between current HR supply and future demand. Strategies are then developed to address the gap and may involve recruitment, internal staffing, development, training, contracting and partnering, and activities relating to downsizing. “Forecasting future needs” implies understanding the future business directions of the organization so that the HR needs can be appropriately identified. HR planning can be conducted at the organization level or at any component level but a key to success is always understanding and linking to business direction.

**HR Planning always starts with understanding the business needs of the organization.**

There may also be a need to further develop and refine plans for the strategies that are going to be employed and this may result in separate, or integrated, staffing plans, training plans etc.

But HR planning is more than just a numbers game: it also involves identifying the organization’s HR management goals and expected results, identifying strategies and activities to achieve those goals, and measuring organizational progress towards their achievement. Organizations that engage in this level of planning do so because they are aware of and want to profit from the direct, positive link between certain “good” human resources management practices and overall organizational business performance.

**HR management is more than just having the “right people in the right place at the right time”. Its about instituting the people-related practices and activities that will help the organization achieve, and improve, its business results. HR planning identifies the needs and strategies in this regard.**

HR planning, then, has two dimensions: planning for the required numbers of qualified and competent employees and planning for the people management practices that will enable the organization to meet its business goals, i.e. more profits, more sales, better results etc. For the purposes of this discussion, we will focus on the first dimension but

should not lose sight of the second. It is a question of getting the basics right before moving on to more added-value approaches.

HRP can be very sophisticated with extensive demographic study and research, trend analysis, statistical modelling etc. and any HRP program should have some degree of this. But it can also be relatively simple – at least to start – and less “scientific”, with the organization addressing a few high level questions: what is our overall business direction? What skills do we need to ensure we can successfully deliver our mandate? What current skills exist in the organization? What is the gap between these two and what will we do to fill it?

**HR Planning, in its simplest form, is about answering 3 questions: what are my business needs, what do I need to meet those needs and what strategies will I take to ensure my needs are met?**

There has been uneven and inconsistent attention to it in the Public Service, at the organization-wide level and within departments and agencies. Moreover, HRP has not been valued. This has resulted in lack of capacity and skilled practitioners, no sustained leadership to the HRP community, and, of course, a continuing reliance on ad hoc and reactive approaches to HR management generally. Even when some good HRP activities have been undertaken, e.g. demographics studies on EX turnover or recruitment needs, there has not been sustained action to develop and implement strategies to address the identified issues.

The scene is not entirely bleak, of course. Some organizations do HRP as a matter of course – Statistics Canada and Environment Canada are good examples; others are beginning to make in-roads. More recently, the attention from the Clerk of the Privy Council and the efforts by the HRP Working Group, established jointly by the HR Council and the DM Sub-Committee on Staffing and Staffing Recourse, are beginning to show some results. Finally, the continuing message that HRP is a foundation for the new staffing regime, is beginning to catch peoples’ attention and there is increasing interest in learning more about HRP and having tools and models to assist in its implementation.

Quality HR planning across the Public Service will not occur overnight. It will take several years of concerted effort, rebuilding capacity, trial and error, etc. before we have a rigorous process consistently applied across organizations. But efforts can and must start now, starting with the basics, because HR planning is a foundation for the renewed staffing system that will soon be implemented as a part of the PSMA.

**HR planning, even if not very sophisticated, must start now. Without some degree of HR planning, departments will not be able to develop staffing programs tailored to their needs.**

### **What is the link between HRP and the new Staffing regime?**

There are various points of intersection between HR planning and staffing. It should be noted that while there is an expectation that human resources planning will be a basis for the new staffing approach, it is not a legal requirement to do so. However organizations that do not plan will not take full advantage of the opportunities presented by the new PSEA.

#### **At the Public Service-wide level...**

At the Public Service-wide level, under the new PSEA, the employer may identify the “current and future needs of the public service” and deputy heads may then take these into account in their staffing activities. The needs identified by the employer will likely be at a relatively high level since they will be based on general business directions and goals of the Public Service and the broad HR needs and priorities related to these goals. For example, the employer could assess the representation of certain EE group members in the public service and determine that there is a “current and future need” to increase representation rates. It could identify a general need to increase recruitment of post-secondary graduates. Similarly, the employer could identify certain competencies that it believes are required now and in the future such as leadership or policy development skills or language competencies.

Departments could then take these needs into account in their overall staffing programs by, for example, developing certain programs to recruit EE group members or post-secondary graduates. They could also take these into account at the transactional level by completion of certain leadership training courses as an essential or asset qualification in a particular staffing action.

#### **At the department level...**

Within departments, HRP can, and should be used, to help develop the overall staffing approach that the department wishes to take. Based on an assessment of current and future business needs, what staffing approaches will best enable the department to meet its HR requirements? In developing its staffing program, the department will want to consider what principles and values will guide its staffing activities (e.g. preference to employees before seeking candidates elsewhere); its policies (how it will approach informal discussion), what focus or philosophy it wants to give to staffing (e.g. whether to use ad hoc or planned approaches, competency-based approaches, holistic- involving recruitment, development and promotions - or segmented, that is stand-alone recruitment approaches, development etc.), how roles and responsibilities will be assigned (e.g. to what level of manager will staffing authority be delegated), what performance measures, reporting and accountability mechanisms will be put in place (e.g. presumably linked back to central agency requirements as well). All of this starts from an assessment of business plans and their HR implications, i.e. an HR plan.

What will result from this will be a unique departmental approach, consistent with central agency policies but responding to the unique business and HR needs of that organization. The expectation, however, is that by undertaking this kind of planning exercise, there will be more structured, proactive approaches to staffing\*. For example, a department with a policy mandate will want to ensure that it has an adequate, continuing supply of policy advisors. Depending on its needs and circumstances, it might develop a special recruitment program, a career progression or “apprenticeship” program, or use a pre-qualified pool approach, perhaps in concert with other organizations with similar mandates.

\*A “structured staffing approach” is one where staffing activities are undertaken in advance of a particular vacancy or need arising (or many anticipated vacancies) so that qualified candidates can be appointed immediately when a need or a vacancy occurs. “Ad hoc” staffing refers to situations where staffing decisions are made when a vacancy occurs.

**HR plans can also be developed and used by functional communities where there is agreement among the employing departments to implement them in a collective way. Similarly, departments may enter into partnership arrangements with similar organizations to staff common jobs using a common approach.**

#### **At the Branch or Division level...**

It is at the component level (e.g. business line, Branch, division, region etc.), where much of the specific program design will most likely take shape. While there will be some department-wide approaches, in many cases these programs will operate at a branch, business line or divisional level, i.e. where there is sufficient commonality of skills or HR needs to warrant such an approach. For example, a department with a policy mandate may institute a career progression program for policy advisors; a Branch employing many technicians performing similar duties might institute a pre-qualified pool process.

**HR planning is both “top down” and “bottom up”. While HR plans should be based on overall business needs and strategies, they should take into account the needs and realities of organizational units. The HR planning process should involve managers at all levels.**

#### **For line managers...**

For line managers who have vacancies or needs to fill, the departmental staffing program will guide their choices. If there is a recruitment program, apprenticeship program or pre-qualified pool that applies to their particular need, that program/pool will be used. Such approaches will have their own ground rules and processes. Where structured approaches are not being used, it is likely that managers will be guided by departmental policies which may (or may not) include such elements as which operational

requirements, departmental current and future needs, and public service-wide current and future needs may be taken into account and some direction as to how to do so.

At the line manager level, in addition to being bound by departmental staffing program requirements and any planned, structured approaches that are being used in the organization that apply to that line manager's workforce, there are additional ways that HR planning can be used to guide staffing processes. For example, depending on circumstances, managers can institute similar structured approaches that apply to their own organizations. They can – and should – discuss with colleague managers using joint approaches and strategies. Even where this is not feasible, i.e. where there may not be enough similar jobs, or turnover is low, managers can develop staffing plans that will guide them in the conduct of their staffing activities. Managers with medium to large operations may have quite sophisticated plans. However, since many managers have staffs of only 10 or 20 people and may have vacancies to staff on a rare occasion, their staffing plans will likely be fairly simple. It is more likely that these managers will be guided by their departmental HR plans and priorities and their operational requirements than by a comprehensive detailed plan.

It is important that the departmental (and other level) HR plan and priorities be broadly communicated since they will serve as a guide post for individual managerial staffing decisions. Just as important, communication of the HR plans will enable employees to identify their career interests and to prepare themselves for future opportunities.

**An organization's HR plans are usually developed at the departmental or business line level where business directions are set and decisions made. But HR plans are implemented (and adapted) by individual managers in the conduct of their ongoing operations. It is important that managers understand the HR plans and priorities of their organizations so they can guide their actions accordingly.**