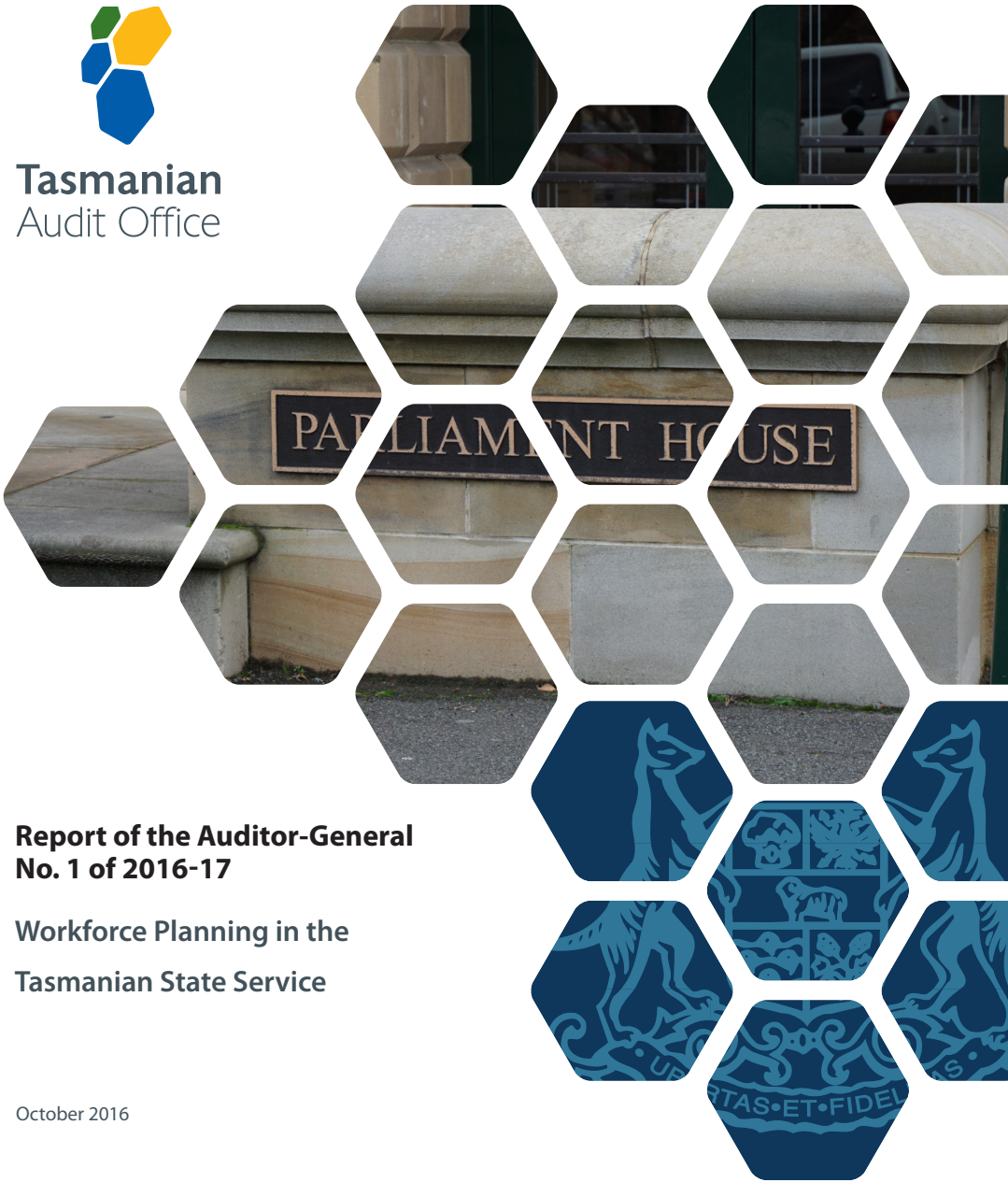




**Tasmanian**  
Audit Office



**Report of the Auditor-General  
No. 1 of 2016-17**

**Workforce Planning in the  
Tasmanian State Service**

October 2016



# EXECUTIVE SUMMARY

## *Background*

This review was initiated by the Auditor-General in response to the significant demographic challenges to be faced by the Tasmanian State Service (TSS) and the need to ensure appropriate planning for service delivery in the future.

For the purposes of this report, the definition of workforce planning (WFP) is taken as:

- A core process of human resource (HR) management that is shaped by organisational strategy and ensures the right number of people with the right skills are in the right place at the right time to deliver short and long-term organisational objectives.
- It is not the sole responsibility of the HR function: it is a management and leadership capability.
- It can be undertaken on a systemic basis, or it can be undertaken on an occupational basis specifically assessing the resource requirements for a single occupation or defined role.

## *Review objective*

The aim of this review was to assess the state of readiness of the TSS to deal with these challenges including WFP in the general-government sector, workforce profiling, and demographic influences.

## *Review scope*

This review assessed how well the following four questions relating to the elements of workforce management were understood, documented, planned and managed across the key agencies and entities of the TSS:

- Does the TSS have WFP capability and a sound approach to WFP at the agency level?
- Is the TSS effectively managing different workforce profiles that exist in each agency?
- Is the TSS addressing the varying demographic influences?
- To what extent do strategic HR skills and capabilities exist across the TSS?

Specifically, the scope of this review assessed each agency against the four key questions in relation to workforce management as outlined above.

These four elements were considered in relation to their:

1. 'As Is' state – assessment of current practices and capabilities.
2. 'To Be' state – exploration of the opportunities that exist to enhance current practice and develop the TSS's state of readiness to respond to demographic challenges in the future. It is expected that in exploring such opportunities, the merit principle, a fundamental tenet of employment in the TSS, would be applied.

The approach to this review included a combination of interviews and workshops with the agencies identified for this review. In addition, a proprietary survey tool developed by hranywhere was utilised to provide data and analysis in relation to HR capability across the TSS.

### *Overall conclusion*

Overall, this review found that the key elements of workforce management are in place across the TSS. There are however a number of observations from this review that indicate improvement is required in order to increase the state of readiness of the TSS to deal with, and effectively manage, the challenges relating to demographic and workforce profile changes.

### *Summary of findings for each review criteria*

#### *Does the Tasmanian State Service (TSS) have WFP capability and a sound approach to WFP at the agency level?*

This review found that the TSS does not have a consistent approach to WFP across all agencies. This review has found that some WFP is occurring within agencies with various methods of WFP in practice that have been designed according to the specific needs of each agency. The WFP that is occurring does not include a clear advancement plan with the purpose of identifying high potential and emerging talent.

It was found that whilst an adequate level of WFP exists in each agency on an operational basis, there is a lack of coordination in strategic WFP. We believe improvements in strategic WFP would enable the TSS to operate more effectively. Agencies consulted noted that basic standards could be adopted by all agencies to create a collective approach on the concept of WFP.

#### *Is the TSS effectively managing the different workforce profiles that exist in each agency?*

We found that each agency had a number of key documents that

described the concept of WFP. These documents, however, lacked forward planning and were reactive to specific needs of the agency. There was limited documented planning across the TSS in relation to transitioning existing workforce profiles to a workforce profile consistent with the strategic and corporate plans of the agency and related future service delivery changes. Although all agencies recognised the need for a strategic workforce plan, we found that the TSS overall did not have a documented plan.

This review concludes that a documented approach to enhancing WFP across the TSS is necessary to deliver sustainable change and adequately address the WFP issues that all agencies face. This review also concludes that a coordinated whole-of-TSS entry-level level recruitment and development program would greatly assist in attracting and retaining entry-level staff members within the public sector.

#### *Is the TSS addressing the varying demographic influences?*

This review found that there is limited evaluation of employee data to assist with future planning and to address the challenges faced by the TSS. In order to achieve this, there is a need for a central data source covering skills, demographic attributes, experience and qualifications of the current TSS workforce. Once this metadata is established, this will facilitate the next phase in maturity for WFP within the TSS.

We have concluded that the key elements of a strategic workforce plan do not exist in full within the TSS. Important elements, such as long and short-term goals, are developed on an agency-by-agency basis, but no overarching TSS plan exists. A strategic WFP for the TSS, which includes strategic objectives, long and short-term goals and an action plan that identifies clear strategies will be an important first step in addressing the challenges posed by changing service delivery models and the current demographic and workforce profile of the TSS. Important support elements to a strategic WFP will be the encouragement of greater flexibility in HR employment structures and a demonstrated focus by executives within agencies to WFP challenges.

We also found that the management of poor performance is an important element in addressing the current demographic challenges of the TSS.

#### *To what extent do strategic HR skills and capabilities exist across the TSS?*

In summary, this review revealed that the TSS's all-agency 'HR Capability Health Check' (the survey) score was 61% (out of a possible

100%). This indicates that there is some evidence of good processes and systems, but there is significant room for improvement for the TSS to be regarded as 'above average' in its state of readiness to deal with the workforce challenges in a three to five year horizon.

Based on the ratings provided by the HR clients in the survey, areas in need of attention in the short-term are:

- data capture and analysis
- succession / WFP and
- Executive and HR strategies to deliver on identified objectives.

In order to ensure that the state of readiness of the TSS shifts from 'average' to 'above average', strategies guided by higher-level decision makers are required to inject and develop HR expertise. This strategy also requires a forward plan to ensure HR capability is developed.

Furthermore, this review found that there was generally inadequate attention to WFP at the executive levels within agencies. Without executive sponsorship, the likelihood of a collective improvement in HR capability is reduced. The development of HR capability would also benefit from a greater focus on 'communities of practice'; that is sharing HR knowledge, resources and approaches to improve HR capability across the TSS. There exists an opportunity to build on strengths and share competencies across agencies.

## **LIST OF RECOMMENDATIONS**

This review makes a number of recommendations in order to progress the state of readiness of the TSS in relation to workforce management.

The recommendations of this report are aspirational in nature. Through the focus on the 'To Be' state, this report highlights recommendations that may require focus and effort over time to achieve. The recommendations of this report provide future goals for the whole of the TSS while allowing for agencies and the SSMO to work through the practical implementation.

Importantly, this review recommends a greater focus across the TSS on strategic WFP supported by executives within agencies. In the short-term, this review has found that the creation of a central register of data related to the TSS would greatly enhance the ability of the TSS to take a strategic approach to WFP. The key focus for agencies should be the building of HR capability within agencies to ensure executives and HR functions are equipped and able to address the key workforce challenges in a proactive manner.

Specifically, this review contains the following recommendations:

REC	WE RECOMMEND THAT ...
1	.. that SSMO facilitate the development of a revised WFP framework which includes the adoption of agreed, consistent principles and standards of WFP across all agencies while enabling specific agency needs to be taken into account.
2	... that agencies create an advancement plan with the purpose of identifying high potential and emerging talent, progression pathways, and opportunities for the development of staff. Elements to be addressed in advancement plans include succession, development opportunities for staff and the use of a range of programs that provide experiential learning and development. Advancement plans should ensure the merit principle is upheld.
3	... that SSMO and all agencies explore the opportunity to develop a TSS strategic workforce plan for relevant elements or occupational groups within the TSS. We recommend that the SSMO facilitate any strategic TSS WFP and contribute through the provision of frameworks and principles with a flexible approach encouraged at the agency level.

4

... that the TSS adopt a whole-of-system approach to entry-level recruitment including:

- Graduates
- Trainees
- Interns
- Cadets.

This approach can be developed formally through the SSMO or through collaboration between agencies and can be applied on an occupational basis as appropriate.

5

... that SSMO considers an improved mechanism to capture agency workforce data. The intent is to provide the capability to assess the skills and competencies that exist within the TSS in a real-time and dynamic manner as opposed to a retrospective reporting basis.

This assessment should cover skills and demographic attributes, experience and qualifications of the current TSS workforce. We recommend that an IT solution be investigated by the SSMO in collaboration with agencies to facilitate capture and use of this data.

6

... that each agency develops a strategic workforce plan, which includes strategic objectives, long and short-term goals and an action plan that identifies clear strategies to develop and re-profile the existing workforce and formally embracing diversity as strategic elements. This strategic workforce plan should have the expressed support from the agency executive. This will necessitate the inclusion of appropriately skilled and qualified HR practitioners within each agency to develop and implement the resultant workforce plan.

7

... that the TSS, through SSMO, review the current performance management mechanisms for poor performers and work with agencies to address the concerns highlighted by this review such as management capability and ineffective processes.



8

... that agencies ensure there is sufficient HR capability at the executive management level to ensure a greater focus on building HR capability and WFP. This capability can be facilitated through changes to the organisational structure whereby HR is included at the executive management level, through enhancing the HR capability of the current executives, or at a minimum ensuring that HR professionals are present at executive management meetings where important HR related issues are discussed.

9

... the sharing of HR expertise and WFP strategies across agencies via a more formalised approach, such as participation in a 'community of practice.'

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## NOTES:

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