Housing NSW builds future workforce foundation with SuccessFactors

With homelessness and housing affordability high on Government agendas, Housing NSW faces a range of challenges in providing an integrated set of housing solutions for people in need. These challenges recognise that clients’ housing needs are complex and varied. They can range from the need for basic shelter and protection for those living on the street to the need for appropriate or affordable housing for those who receive a moderate income but are struggling to live near their place of work.

Like other human services agencies, Housing NSW is also grappling with a changing demographic and an increase in clients with complex needs. General trends in society that affect Housing NSW include a strong population growth in some areas, including Sydney metropolitan and coastal areas and a general decrease in household size. In addition to these changing demographics, Housing NSW is experiencing an increase in the number of clients with complex needs including older persons, people with disabilities, people with mental health issues, who tend to rely heavily on the social housing sector within NSW.

Clients with complex needs require co-ordinated services from many sources, including other government departments and agencies. This also means a change in the way the organisation does business and the skills staff will need to work in Housing NSW. Changing the way services are provided by maximising the use of technology also means developing new business systems, processes and skills. Together with increased demand for services that assist in addressing homelessness this will mean a shift in how and where services are provided. Within this context, ensuring that Housing NSW has sustainable business practices with committed and professional staff is key to achieving its purpose and is the principle driver for workforce planning within the organisation.

Workforce Challenges

Housing NSW is also challenged by a projected shortfall in its own workforce capability, partly due to its ageing workforce. The organisation employs 2,500 people, 62 per cent of whom are female and 78 per cent permanent employees. Housing NSW’s workforce profile is represented by an average workforce age of 44.2 years old and average workforce tenure of ten years. With only 22 per cent of its staff aged 35 and under, the bulk of the workforce (60 per cent) are aged between 35 and 55.
As well as increasing service demand and complexity, Housing NSW is expecting a large number of staff to retire in the next few years. As Chart 1 shows, 17.3% of Housing NSW staff are approaching retirement eligibility. This result is above the 75th percentile of the SuccessFactors Asia Pacific All Industries benchmark results indicating a high rate of imminent retirements.

This loss of skilled staff, combined with other voluntary staff separations, will have a significant impact on Housing NSW’s internal labour supply and its ability to deliver on its purpose.

![Chart 1: Staffing Rate – Approaching Retirement Eligibility](chart)

Employees working for Housing NSW are offered many benefits, including a 35 hour week, flexible work practices, financial support for further study, and generous paid recreation, family, study and sick leave. The organisation is now focused on the effectiveness of its workforce to provide sustainable service. Housing NSW decided to use workforce planning to increase organisational performance and build capability while managing workforce risks.

**Action**

**Building Solid Foundations**

Housing NSW’s initial strategy included building a people, work and skills framework. The development of a staff “toolbox” to support staff across the organisation has been central to this strategy. The organisation also developed a set of career information tools to assist staff with their career paths and profiles. Staff are provided with the ability to review new roles and the skills required to move into fresh opportunities.

“We looked at all our job roles and the accountability for these roles. The toolbox explains the main focus for each job family and what is expected of jobs at different levels, a capability guide, the knowledge skills, and a snapshot for each
level of job family. Staff can use it to understand what is expected in their current job and other jobs which they may aspire to. Managers can use the information to create a job or redesign their structure,” says Karen Cadwallen, Manager Organisational Performance, Housing NSW. Having established a careers profile platform, Cadwallen and her team set out to enhance the program by developing an effective leaders program.

“We wanted to grow our own. After all, not only are we in a situation where we need to find talent, we also need to retain and grow talent which we already have within the organisation. Access to information about opportunities within the organisation and developing our leadership talent was critical to the workforce planning program,” says Cadwallen.

Housing NSW established managerial focus groups with the objective to build and lead authentic, realistic change in the organisation. This resulted in the development of programs for leadership essentials, management, team development, and enhanced organisational knowledge.

Over the past year, around 90 Housing NSW managers have invested up to two days each month in a program entitled Building Leaders Together – Being The Leader You Can Be. The program has helped develop a common language and approach for dealing with leadership challenges and complex organisational problems. The organisation has been able to share the knowledge and experience of these participants to identify workforce planning solutions across its divisions. “Surveys among the participants have shown that the program has been extremely well received. The focus is now on retaining the enthusiasm of these manager participants,” says Cadwallen.

The third key strategy has been to gather and analyse Housing NSW’s workforce data. Housing NSW invested in tools and created a new function in the organisation that focused on workforce analytics. The organisation is now in the middle of a one-year data cleansing project and job family mapping process. It will then look at expanding the data gathering process through employee engagement surveys. The end result will be a people and workforce management dashboard working hand-in-hand with information on performance management, attraction and retention strategies, and retirement transition plans.

**Adapting Frameworks for Maximum Relevance to Housing NSW**

Housing NSW engaged SuccessFactors to assist with its workforce planning program by developing a workforce plan to prioritise and drive changes in strategic people management practice. This initiative has resulted in a five-year plan for driving skills and building leadership.
Recognising the need for an appropriately skilled labour pool for the future, Housing NSW worked with SuccessFactors to introduce workforce profiles into its business planning process. This gave the organisation a baseline for demand and supply projections and a window of knowledge on the skills base required to maintain the organisation’s overall effectiveness.

“SuccessFactors was an ideal partner for us as they have a strong track record of success from their engagement within the overall Australian public sector and were able to bring to the table their knowledge and experience of working with organisations grappling with workforce planning issues,” says Cadwallen.

Housing NSW believes its workforce planning framework provides a strong foundation for a successful approach. The framework, shown in Figure 1, was adapted from the SuccessFactors model and provided a well researched and tested approach which was readily adapted to Housing NSW’s needs. This was important to Housing NSW as it had no experience in workforce planning prior to 2006.

Figure 1: Housing NSW - Integrated Workforce Planning Framework

Within this overarching workforce planning framework, Housing NSW found that two other frameworks assisted with data analysis and strategy development. These two frameworks are described below.
Job Role Framework

For workforce demand and supply forecasting, most organisations use a ‘job role’ framework to structure job roles into a manageable number of meaningful groups. One innovative aspect of Housing NSW’s approach has been to classify its job roles into a matrix based on the two dimensions of Job Role Complexity and Projected Job Role Change, presented in Figure 2.

**Figure 2: Job Role Framework**

- **Low Complexity / High Change**
  - Roles that compared to others are relatively stable in terms of the skills or experience required, although the job content knowledge may be changing. Alternatively they may be becoming less complex over time and/or be roles decreasing in numbers.

- **High Complexity / High Change**
  - Inherently complex roles that are changing whilst also expecting a shortage in numbers and skills.

- **Low Complexity / Low Change**
  - Generalist roles that require generic skills or experience and, whilst departmental or job specific knowledge adds to performance, it is not initially mandatory.

- **High Complexity / Low Change**
  - Specialist/complex roles – often positions that may be small in numbers, but inherently hard to fill given labour market conditions.

Each of the job role clusters has a number of unique characteristics, and each will require a different set of people management approaches. For example, jobs in the High complexity/High change cluster will require a focus on internal development in order to grow this skill set. Jobs in the Lower complexity/High change cluster will require less internal development, but a greater focus on presenting an attractive employment offer to recruit specialist individuals whose skills are in high demand. Appreciating these different characteristics provides the means to differentiate among job roles and to design workforce strategies and approaches that are optimised to the needs of each group.
Workforce Strategy Framework

The second framework adopted by Housing NSW supports a robust strategy development process. This framework, shown in Figure 3, depicts the impact of Business Drivers on workforce capacity and capability risks (as identified through workforce demand/supply gap analysis). Then, a two level hierarchy is used to address the risks and flow through to a range of people management strategies.

The two levels in the hierarchy are:

1. Whole Of Organisation Enablers; and
2. Differentiated People Management Strategies.

Whole of Organisation Enablers are top level strategies that enable department-wide people management strategies. The top level enabling strategy groups are: Attractiveness (of Housing NSW as an employer), Service Delivery Performance, Workforce Information and Adaptability.

At the second level, strategies are differentiated to address the varying levels of
capability and capacity risks for specific job clusters. At this level, strategies are grouped into the broad areas of recruitment, retention, development and deployment. For example, a recruitment strategy for a job role in the High complexity/High change job cluster might be: ‘recruit new staff on the basis of potential, aptitude and fit for emerging job role.’ In contrast, a recruitment strategy for a job role in the Lower complexity/Lower change job cluster might be: ‘mix the recruitment profile to balance candidates specifically suited to simplified roles and those with potential for more specialised/complex roles.’

This approach provided the means to design workforce strategies that are optimised to the needs of each job role.

**Action**

**The Journey so Far**

Housing NSW has reached significant milestones in its workforce planning journey. It has:

- Adapted a workforce planning methodology that is relevant to Housing NSW and provides an outcome that stimulates action;
- Established a credible baseline for workforce ‘gap’ analysis that can be reviewed and amended as internal and external drivers influence demand and supply forecasts;
- Made significant progress in gaining management engagement and commitment to the process;
- Developed evidence-based, ready-to-implement people management strategies; and
- Transferred knowledge of workforce planning across the project team and raised awareness in Housing NSW.

Means of achieving these milestones include the following:

- Gaining Executive Support;
- Engaging Line Managers – Getting the Data Right; and
- Engaging Line Managers – Getting the Language Right.

**Gaining Executive Support**

At the outset of the project, Housing NSW increased the visibility of workforce planning by holding open forums for managers and generating interest in the potential benefits. Over time the workforce planning team was able to actively
Engaging Line Managers – Getting the Data Right

The workforce planning team was able to improve the integrity of workforce data used for demand and supply forecasting. In the initial 2006 workforce planning project, there was some confusion about the workforce data presented to line managers. Due to this, managers had limited confidence in the data and this stymied their engagement and commitment to the process. However, it spurred commitment from managers to collaborate with the workforce planning team data cleansing. The next development in this area is to demonstrate the value of maintaining data integrity by providing line managers with direct access to the online workforce planning tool, giving them the ability to drill down on workforce issues of direct relevance to them.

Engaging Line Managers – Getting the Language Right

Finding and using language that resonates with internal stakeholders was yet another challenge. For example, the HR catchphrase ‘War for Talent’ was off-putting to Housing NSW managers. Also, the private sector notion of ‘competitive advantage’ was not considered relevant to this not-for-profit provider of social housing. Instead, the phrase “service delivery failure” captured the notion of public sector business much more appropriately. Another change was to replace the term “capability gaps” with “gaps in people and skills” as managers found this much more meaningful to them.

Lessons Learned

Reviewing the success of the project so far, Cadwallen says that “defining what we needed to achieve at the outset, even at a very high level, meant we were able to explain to SuccessFactors what we wanted. In fact, the planning is as important as the actual development of the environment. The results so far have included the development of a five year strategic plan, the alignment of HR with business drivers and outcomes, a significant improvement in data and analytics capability, and key projects, including the capability framework and leadership program.”

“It is imperative to involve an organisation such as SuccessFactors with really good business knowledge of data, what it is required for, and how the data should be extracted.”

Cadwallen also suggests that engaging an external consulting firm can bring valuable additional skills to a project. “Working with SuccessFactors has given us access to superior technical knowledge. In terms of translating our business requirements, they were able to ensure a more scalable and future-proof solution.”
During the workforce planning process, Housing NSW has learned the following lessons:

- At the outset, it is good to work with and learn from an experienced partner.
- Good consultation is critical to stakeholder engagement, and this engagement is critical to the success of a workforce planning process (and resulting strategies).
- You need to take a long term view and build stamina and commitment in the organisation. As we say the workforce planning journey is not a day trip.
- An exercise as significant as workforce planning takes time and resources. These can be added incrementally as you achieve successes on the way and thus are able to present a business case for additional resources.
- Data is critical. We created a dedicated workforce analyst position.
- It is vital for the workforce planning team to have good knowledge of the organisation’s business.
- Don’t attempt to analyse and solve all workforce issues. Housing NSW undertook a thorough prioritisation exercise to enable it to focus on its most significant issues.
- Plan for action – the business needs to see outcomes. Focus your effort and build on what you have.

**What’s next?**

Housing NSW continues to develop its workforce planning capability, with developments to include:

- Integration of e-recruitment data within the forecasting module (e.g. information on applications and withdrawals, impact on locations and positions etc.);
- Development of more robust metrics surrounding workforce skills gaps;
- Development of meaningful metrics that integrate the impact of unfilled positions; and
- Further research and improvement work on attraction/branding strategies.