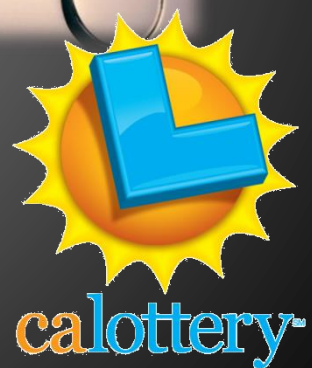




Workforce & Succession Planning Toolkit



Right People.

Right Skills.

Right Job.

Right Time.

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I. Introduction

A. What is Workforce and Succession Planning?

Workforce Planning is an ongoing process of analyzing an organization's current workforce, identifying future workforce needs, and developing solutions to address the gaps between the current workforce and future needs. Succession Planning focuses on preparing staff to become leaders within the organization and/or to develop the competencies required to perform functions that are essential to the Lottery's continued success.

The primary goal of workforce and succession planning is to strive to achieve the **right** people with the **right** skills in the **right** jobs at the **right** time, so that the Lottery can operate at its highest efficiency.

B. Why is Workforce and Succession Planning Important?

Workforce and Succession Planning is critical for ensuring the successful accomplishment of the organization's strategic goals. It enables forecasting and rapid replacement of talent. Filling vacancies is especially critical as organizations face labor market shortages and an increasing number of workers become eligible for retirement. Workforce and Succession Planning also provides an ongoing mechanism to proactively identify and evaluate talent management issues/risks (e.g. lack of required skills or competencies, hard to recruit classifications, etc.). Key elements of this type of planning are targeted recruitment, career counseling, retraining, coaching, etc., to meet current and future workforce needs. It also provides realistic staffing projections for budget purposes and ensures budgets are allocated appropriately to enable the organization to meet its objectives.

II. The Lottery's Need for Workforce and Succession Planning

A. Workforce Implications

Workforce and Succession Planning is becoming increasingly important as organizations are confronted with the following trends:

- Increased generational and cultural diversity within the workforce
- A shift toward higher-skilled, “knowledge worker” jobs
- Increased competition for qualified staff
- Workers with changing values and expectations
- An increasing number of employees retiring, which may result in a massive “brain drain” at all levels

Over time, Workforce and Succession Planning will provide many benefits to the Lottery, including:

- More effective and efficient use of workers
- Availability of competent replacements to fill vacancies; this is especially important in the face of an increasing number of workers eligible for retirement, competition for skilled labor and limited compensation levels
- Realistic staffing projections, which are critical for effective business planning
- Clear rationale/strategic justification for expenditures for training/retraining, employee development, career counseling and recruiting efforts
- A continuous stream of internal candidates who are prepared to assume leadership and/or essential positions

III. Workforce and Succession Planning Steps

A. The Workforce and Succession Planning Process Model

The Workforce and Succession Model that was adopted to guide the Lottery's effort illustrates a six-step repeatable approach to workforce and succession planning.



The Process Model begins with a review of the Department's strategic direction and/or business plan. The phases that follow are:

1. Analyze Current Business Environment

- Use the Strategic Plan to identify organizational goals and objectives.
- Analyze current staffing levels and demographics.
- Conduct an Environmental Scan to determine what external factors will impact the workforce and your ability to meet organizational objectives.

2. Assess Future Workforce Needs

- Identify the required staffing in terms of positions/roles, number of staff and competencies required of your future workforce based on business objectives.

3. Determine Workforce Gap

- Determine gaps between future workforce demand and current workforce resources to assess need.

4. Develop Priorities and Solutions

- Establish priorities, evaluate alternatives and develop an action plan for meeting needs discovered in Phase 3.

5. Implement Plan of Action

- Work with Human Resources to take proper steps to execute proposed plan of action.

6. Evaluate and Modify Plan as Needed

- Evaluate results to improve action plan based on the changing needs of the Department and/or Division.

B. Who is Responsible for Workforce and Succession Planning?

The Division's Role

The Deputy Directors are the primary facilitators of the Workforce and Succession Planning cycle for their Division. It is their responsibility to oversee the process and ensure unit managers are completing workforce risk assessments and determining priorities to plan for future workforce needs. Deputy Directors will also ensure action plans are developed for addressing the identified gaps between workforce demand and workforce supply.

The Manager's Role

Unit Managers will facilitate the process by translating business and operational goals into workforce requirements. They will conduct an environmental scan to identify factors that will impact the work being done and identify the gaps in the current workforce. Managers will also develop action plans tailored to the needs of their individual units to address those gaps.

Human Resources' Role

The Human Resources Division contributes to the Workforce and Succession Planning process by developing overall Lottery risk assessment demographic reports and corresponding statistical analysis. HR staff will support Deputies and managers in their workforce risk assessment by being a resource and providing tools to assist Divisions in developing and implementing constructive action plans.

IV. Division Risk Assessments

Workforce risk assessment is one of the first steps in the workforce and succession planning process. Risk is defined as the possibility of business disruption or inability to continue planned business operations due to one or more controllable or uncontrollable factors.

The Lottery encourages the use of three (3) assessment tools to analyze workforce risk:

1. Environmental Scan
2. Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis
3. Division Risk Assessment Worksheet (DRAW)

The primary objective of these exercises is to assess workforce risks, taking into account future goals and objectives. Successful planning requires that the people involved have a comprehensive understanding of their current environment. The Environmental Scan and SWOT Analysis are completed first and will assist in the completion of the DRAW form. The DRAW form is used to document the analysis of workforce risks, identify solutions and monitor completion of those solutions.

A. Environmental Scan

The Environmental Scan is a systematic analysis of the business environment to understand trends and changes that impact workforce needs. By analyzing the environment and evaluating internal and external issues that could impact the work and function of the agency, the Lottery can more successfully plan for future workforce needs.

The first step in conducting an Environmental Scan is to collect data to gain an understanding of the factors that affect the workforce. It is important that the information have its basis in sound data or reasoning, so that future planning decisions are made with confidence.

The chart on page 7 lists some examples of what types of information to look for, and where to find it.

Once you have identified the external factors affecting your business, consider how they will affect your workforce. What steps can you take to avoid negative impact from these factors?

Area	Relative Information to Consider	Information Source
Workforce Demographics	<ul style="list-style-type: none"> ➤ Workforce diversity (generational, cultural, skills) ➤ Workforce education levels ➤ Trends in staffing patterns ➤ Workforce expectations (work-life balance) 	<ul style="list-style-type: none"> ➤ US Bureau of Labor Statistics ➤ CA Labor and Workforce Development Agency
Industry/Occupational	<ul style="list-style-type: none"> ➤ Demand and supply of workers in key occupational fields ➤ Emerging occupations and competencies ➤ Trends in the Lottery industry ➤ Changes in the retail environment 	<ul style="list-style-type: none"> ➤ North American Association of State and Provincial Lotteries ➤ La Fleur's World Lottery Almanac ➤ Division-Specific Industry Data
Technology	<ul style="list-style-type: none"> ➤ New technologies (skills needed) ➤ Automation trends 	<ul style="list-style-type: none"> ➤ CA Office of Technology Services ➤ Gizmag – Emerging Technology Trends
Economy	<ul style="list-style-type: none"> ➤ Unemployment rates ➤ Available and qualified labor pools ➤ Local High Schools ➤ Community College and University curriculum ➤ Competition for workers ➤ Outsourcing/Privatization 	<ul style="list-style-type: none"> ➤ US Department of Labor - Statistics ➤ US Bureau of Economic Analysis ➤ CA Department of Finance – Economic Data
California State Government/Legislation	<ul style="list-style-type: none"> ➤ Trends in lawsuit and court actions ➤ Changes in leadership ➤ Changes in rules and regulations ➤ Employment laws ➤ Revisions to current laws 	<ul style="list-style-type: none"> ➤ Local newspapers ➤ The Sacramento Bee
Customer Expectations	<ul style="list-style-type: none"> ➤ Diversity ➤ Technology ➤ Complaints ➤ Common customer requests 	<ul style="list-style-type: none"> ➤ Customer Feedback ➤ Surveys ➤ Anecdotal evidence

B. Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis

The SWOT Analysis is a tool to analyze the current status of the workforce and how that fits with the strategic direction of your agency. It will be effective in identifying and evaluating internal strengths and weaknesses, as well as external opportunities and threats that are likely to impact business operation and direction. Thinking in those terms will be beneficial in categorizing the data for the matrix. Information discovered through the Environmental Scan process can provide a foundation for SWOT Analysis evaluations.

Working with one matrix quadrant at a time, develop a list of all factors relevant to that quadrant.

Six (6) Simple Rules for a Successful SWOT Analysis

1. Be realistic about the strengths and weaknesses within your agency or area.
2. Use the SWOT to distinguish between where the agency is now and where it wants to be in the future.
3. Be specific. Stay focused on the topic at hand – namely the workforce and the agency's human capital needs.
4. Keep the SWOT short and simple. Avoid complexity and over-analysis.
5. Apply the SWOT in terms of being a competitive employer. Consider who competes with the Lottery for employees.
6. A SWOT is subjective. It is not an exact science, but using quantitative and qualitative objective data helps users trust the process.

Strengths

Develop a list of all of the internal strengths of the unit/division/agency. Examples of strengths could include having an experienced staff or having a good employee training program.

Weaknesses

Weaknesses are internal factors that may impact workforce planning negatively. Examples of weaknesses would include an absence of procedural manual or lack of an employee mentoring program. It is possible that strength could also be a weakness. For example, long-time employees can be considered a strength because of their experience, but may also be considered a weakness if there are a limited number of staff who share the same level of expertise and no means to transfer knowledge.

Opportunities

Opportunities are typically external factors. Opportunities could include new relevant training programs, new technologies that are applicable to the job or line of business, or pending legislation that supports Lottery objectives.

Threats

Threats are external factors that could have a negative impact on your workforce planning; for example, a projected decrease in budget allocations. Again, it is possible that an opportunity may also be perceived as a threat. For example, new technology tools may be considered an opportunity, but if there is not a way to train staff to use the technology effectively, it could also be a threat.

Examining Internal Factors

- Identify the current workforce skills, looking at education, language skills and competencies for successful performance.
- Identify retirement projections and patterns for key positions within your area, specifically to determine whether your area is vulnerable to a wave of retirements and a loss of knowledge.
- Determine the demographics of both the workforce and the customer base to determine how diversity, or the lack of diversity, could impact the Lottery's effectiveness.
- Assess the current organizational climate. Is your staff feeling supported and nurtured? Overwhelmed and burnt out? Somewhere in-between?
- Examine turnover data to determine how much turnover your area experiences, the types of turnover, and reasons staff are leaving.
- Understand the budget and the impact organizational change will have on salaries and benefits.
- Know the political environment. What might you expect in terms of possible changes in leadership (Governor, Commissioners, Agency Director)?

C. Division Risk Assessment Worksheet (DRAW)

The Division Risk Assessment Worksheet (DRAW) was created as a Workforce and Succession Planning tool to be completed as a final step to the Environmental Scan and SWOT Analysis. Once the Environmental Scan and SWOT Analysis have been completed, analyze the results and summarize the business risks that you have identified within your Unit. Transfer this summary to the DRAW form. This form will help provide a framework toward finding solutions and creating a plan of action for your Unit. Review the descriptions below for detailed instruction on the elements of this worksheet.

1. Worksheet Elements

BUSINESS RISKS:

- *Knowledge Transfer Needs:* Is there only one employee (or too-few staff), who possess expertise or knowledge critical to a core process or function?
- *Lack of Essential Competencies:* Do your staff lack the specific (or changing) competencies required by their specific job/position?
- *Leadership Development Needs:* Are leadership staff lacking the skills and abilities to effectively lead the team to successfully meet business initiatives? Are leadership staff contributing to a cohesive working environment?
- *Difficult to Recruit Positions:* Is the function performed by a position/classification which requires particular competencies or skillsets? Is it hard to find these competencies within the State's current workforce?
- *Difficult to Retain Positions:* Does this function or position have a high rate of turnover?
- *Change Management:* Is your Unit or Division undergoing significant change that is negatively impacting staff?
- *Evolving Technology:* Are new technologies being introduced that will directly affect the way that functions are performed within your unit? Do staff need to be trained on new procedures or applications?
- *Lack of Process Documentation:* Are the core processes or functions performed within your Unit clearly documented and current? Could staff unfamiliar with this process maintain services?
- *Other:* Did the Environmental Scan and SWOT Analysis reveal an additional business issue that you perceive to be a risk factor? If so, list the specific issue/risk factor.

RECOMMENDED SOLUTIONS:

Identify one or more of the following solutions to apply in response to the identified risks. Refer to the Workforce Solutions Guidebook for detailed descriptions on each of these options. The Human Resources Division may assist with recommendations, if necessary.

Knowledge Transfer

- Desk Procedures/Job Aides
- Cross Training
- Limited Term Appointments
- Job Transfer
- Reorganization
- Job Shadowing
- Training & Development (T&D) Assignments
- Out of Class Assignments

Recruitment/Retention

- Individual Development Plan Process
- Classification Changes
- Recognition
- Mentoring
- Online Exams
- Training
- Upward Mobility Program/Career Counseling

TIMEFRAME TO IMPLEMENT:

To mitigate these business risks, it is important to implement an action plan. Specify the estimated time that it will take to implement each solution.

STATUS:

Indicate detailed current status of the recommended solution. This section should be continuously updated as progress is made.

IV. Resources

- Environmental Scan
- SWOT Analysis Form
- Division Risk Assessment (DRAW) Form
- Workforce Solutions Guidebook
- Human Resources Assignments & Contacts List

Contact Information

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