

■ 2015
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HUMAN
CAPITAL
PLAN

BACKGROUND
PAPER

NORTHERN TERRITORY
PUBLIC SECTOR

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FOREWORD

With around 20,000 staff, the Northern Territory Public Sector (NTPS) is by far the largest employer in the Territory. The public sector is critical to the Northern Territory's economy and the expenditure on public sector employment and service delivery is substantial (around \$2.1 billion including Power Water Corporation).

An ageing workforce, skills shortages and sustained demand for public services have compounded the existing challenges of attraction, recruitment and retention of a skilled and sustainable workforce.

NT's combined low population density and decentralised service delivery means that we require a modern, sustainable and agile public sector that is capable of building strong partnerships with external sectors, able to respond to policy directions of government, is confident in providing strong policy advice, committed to delivering the best services for Territorians and willing to be accountable for its actions.

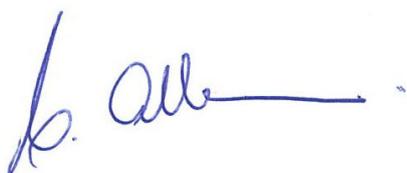
A number of federal, state and territory reviews of public administration have identified common themes for reform. These have included enhancing policy capability, strengthening performance management, investing in leadership development, improving agency efficiency and workforce sustainability. The reviews also note the need for more productive performance to sustain economic growth. This is not unique to any particular jurisdiction; it applies to all states and territories, including the Northern Territory.

The vision of the NTPS is a skilled, fair and creative public sector that provides the highest quality service to the Government and people of the Northern Territory. A key challenge for us is to ensure that our public sector workforce is sustainable and has the capabilities and skills to deliver efficient and effective services into the future and that we make the best use of those skills within the NTPS.

To achieve this we have developed a Human Capital Plan with actionable strategies to address current and future workforce challenges. The Plan focuses on key initiatives for implementation across the sector. It has been developed using a robust but flexible Human Capital Framework that, amongst other things, helps to identify high-level trends and developments that will affect our ability to deliver against the strategic priorities set by government.

The Plan and Framework have been developed using a range of national, international and local data and research including State of the Service data, People Matter survey results, ageing workforce data and consultation across the sector including Chief Executives and the NTPS HR Community.

The Plan provides the strategic direction for NTPS agencies to develop agency-specific workforce plans designed to meet their specific circumstances, and the Framework provides the analytical tool to enable this.

A handwritten signature in blue ink, appearing to read 'C. Allen', with a long horizontal flourish extending to the right.

Craig Allen
Commissioner

OUR CHALLENGES

The NTPS faces a range of challenges that a Human Capital Plan and Framework can help to address.

The need to increase productivity

We operate in a tight fiscal environment where agencies are required to 'do more with less'. To a large extent, the answer is increased productivity and labour productivity¹ is particularly important for the public sector, given that labour expenses account for half the sector's total budget.

Improvements in labour productivity require combined effort on the part of agencies and all of sector in terms of how the human capital, organisational infrastructure and technology are managed.

Ways to increase productivity could include:

- implementing effective performance management across the sector to align workforce efforts with organisational outcomes;

- developing high-performance workplace practices and cultures that engage employees and embrace new ways of working;
- developing leadership capability, especially at the senior levels to influence, define and drive performance improvements across the sector;
- offering formal and on-the-job learning and development;
- improving computer literacy across the sector and investing in online courses;
- addressing poor performance; and
- cutting red tape and avoiding duplication.

The ageing workforce/changing demographics

In light of the imminent retirement of baby boomers, we need to ensure that workers of retirement age are encouraged to remain in, return to, or join the public sector if we are to continue to benefit from the wisdom they possess, deliver quality public services to the community and reflect the community we serve.

Growing service delivery demands and changing service delivery models

Changes to agencies' service delivery models to meet the needs of customers and stakeholders into the future may mean that we need to be making major changes to organisational structures and skills sets for the future whilst at the same time retaining staff with critical knowledge and skills.

Attraction, recruitment and retention

Challenges with attracting, recruiting and retaining skilled workers include:

- global labour market shortages which means that we experience skill shortages in key and critical areas (e.g professional streams);
- competition with the private sector for skilled employees (especially from investment and infrastructure projects);
- our ageing workforce approaching retirement age combined with some legacy attractive retirement packages presents significant risks in with workforce replenishment, knowledge retention and service provision;

- attracting skilled employees to the NT and retaining them;
- the value that employees place on investment in their development.

The cost of staff turnover in the NTPS is hard to accurately measure. This is partly because of the notion of 'regrettable turnover' which is the cost of losing a high performer as opposed to losing an underperformer. Generally speaking, however, a reduction in staff turnover will have an overall positive effect on productivity and some initiatives that can positively influence staff turnover are good management and leadership and providing learning and development opportunities.

¹Labour productivity is the ratio of outputs (the amount of goods and services produced) to labour inputs (the number of labour hours used to produce those goods and services).

OUR CHALLENGES continued

Skills shortages in key areas

We need to ensure that we have the capabilities to manage people, assets and governance in the public service and provide value for the public. All agencies have a role in building the capability of the NTPS workforce. At the whole sector level there are two main areas of capability that the NTPS needs to focus on strengthening:

- technical capability such as policy development, project management, HR/IR, ICT and procurement; and
- management and leadership skills.

Reflecting the community we serve

At present, the NTPS does not accurately reflect the diversity of the community we serve. Whilst the workforce participation rate in the NT compares favourably with other jurisdictions, Indigenous Australians are underrepresented in the NTPS workforce. These figures are beginning to improve as a result of strategies such as the Indigenous Employment and Career Development Strategy and Special Measures plans in the areas of recruitment, however more needs to be done.

Reducing red tape

Reducing red tape is a relevant issue in all jurisdictions and is an issue NTPS has been actively pursuing. Continuing to reduce red tape, especially in the areas using contemporary advertising mediums, simplifying recruitment and selection processes and decision making will help us to be more responsive in the labour market.

Our 'one employer model' in the NTPS is a unique opportunity to ensure we achieve efficiency and economies of scale in our systems and processes (e.g performance management system, workforce planning system) which could be centralised.

Management and leadership capability

We need to focus on strengthening the skills of managers and leaders across the NTPS, particularly in the areas of risk, budget management, change leadership, strategic leadership and people management, including building positive workplaces free from bullying, harassment and discrimination.

Generational factors

Making government employment more attractive (especially to younger generations who do not place as much value on security of employment as other generations do) requires the attitudes and preferences of younger generations to be heard and the NTPS culture to be contemporary and one that different generations identify with.

Enabling technology

The tight fiscal environment in which we operate is an opportunity to invest in and engage with modern technology as enabling tools to efficiently and effectively carry out tasks. Examples might include social media for advertising vacancies, online learning systems or systems that help manage various HR functions (such as succession planning and training administration) and making meaningful workforce data readily available to enable evidence-based decisions.

Employer of choice

Being an employer of choice is achievable through a positive values-based culture, recognition for good performance, opportunities for professional development and benefits and conditions that are an attractive value proposition for existing and potential staff.

FACT SNAPSHOTS

Learning organisation

- ▶ New and **different skills** will be needed of the workforce of the future
- ▶ Nearly half of the people with **post-graduate** qualifications in the Australian workforce are **expected to retire** in the next decade.
- ▶ The shelf life of some new degrees is **less than five years**.
- ▶ About 24% of the Territory's resident population lives **outside** major regional centres.



Recruitment and retention

- ▶ The NTPS is the **largest employer** in the Northern Territory
- ▶ There are approximately 170,000 **new entrants** to the Australian workforce each year. Only 125,000 new entrants are expected to enter the Australian workforce each year during the decade **2020-2030**
- ▶ **8.8%** of the NTPS identify as **Indigenous**
- ▶ **1.1%** of the NTPS identify as having **disability**
- ▶ **8.8%** of the NTPS identify as a person from a culturally and linguistically **diverse background**
- ▶ **45%** of senior managers (SAO2 ECO6) are **women**
- ▶ Australia ranks **tenth** out of the 34 OECD countries for workforce participation
- ▶ The number of people aged 55 to 64 is expected to **increase** by more than 50% in the next two decades
- ▶ Employers in the Northern Territory experienced more **difficulties with recruitment** than any other state or territory in 2013, filling slightly less than **half their vacancies** (49%, three percentage points lower than in 2011) (DEEWR 2013).



Data Evidence and Analysis systems

- ▶ Almost one in three people in the Northern Territory are of **Indigenous Australian** origin
- ▶ By **2051** almost one in two Australians will be **older than 50 years**
- ▶ The Territory has a **median age of 30**, much younger than the national median of 37.



Building Capability



- ▶ **New and different skills** are needed in a modern workforce
- ▶ Lives **outside** major regional centres
- ▶ The NTPS has over **\$1 billion** in direct and recurrent staff costs and **\$2 billion** in employee liabilities per annum
- ▶ **44%** of employees have had a **performance conversation** in the last year
- ▶ **65%** of children in pre-school today will be employed in roles that do **not currently exist**.

Engagement and Wellbeing

- ▶ **Engaged** employees are key contributors to positive work environments
- ▶ Research shows that organisations with high employee-engagement levels have voluntary turnover rates **half that** of other employers
- ▶ One in five NTPS staff members are **over the age of 55**.



Recruitment, attraction

- ▶ **Labour turnover** costs can range from 50% to 150% of an incumbent's salary
- ▶ In a modern workforce **2/3 of moves** are lateral
- ▶ Compared to the rest of Australia, the Territory attracts a disproportionately large number of young, mobile workers who often view their stay as **short to medium term**
- ▶ About **9%** of the Territory's population **relocates each year** – around 4 times the level of other jurisdictions.



Systems and data

- ▶ **New entrants** into the workforce provide about **50% of economic growth**; productivity provides the remaining 50%
- ▶ **Productivity** is the key to higher economic growth in the face of an **ageing population**
- ▶ Despite its importance, comprehensive measures and rigorous analysis of the public sector's productivity are **rare**
- ▶ The opportunity now exists to harness the views of citizens, through **on-line forums** to program improvement and legislative reform
- ▶ All the technical knowledge we work with today will represent only **1% of the knowledge** that will be available in 2050
- ▶ **Storage capacity** grows about four times faster than the world's economy, and **telecommunications** capacity is growing at roughly the same speed.



OUR ASSETS

We are fortunate compared to other jurisdictions that the NTPS has a 'one employer model' which provides a strong foundation for effective whole-sector planning and it enables the implementation of strategic initiatives across the whole sector.

The NTPS Values unite all agencies in how we deliver services to Territorians.

Our values identify what is important in terms of appropriate behaviours in the workplace and how we should interact with others in our everyday work.

The NTPS Values give us a shared understanding of the values that underpin how we work in delivering services, promote collaboration and professionalism, guide us in achieving our best performance and set common expectations across the sector for all public servants.



OUR ASSETS ... continued

We also have a number of excellent systems, programs, initiatives and policies already in place such as:



HUMAN CAPITAL MANAGEMENT

In the NTPS, we undertake regular reviews of our workplaces and workforce. Some of these reviews are regularly conducted (e.g People Matter survey, State of the Service Reports) and others are initiated due to a specific issue or failure (e.g failure of ICT system) or a specific feature of the workforce or workplace (e.g Retirement Intentions Audit in response to the ageing workforce).

Many strategies and responses have been developed over time to address workforce issues, at both the whole sector level and by specific agencies for the benefit of that department. Traditionally these responses, while frequently holistic in nature to include people as well as systems and process elements, have not necessarily been centred on a whole system approach.

In the current environment, it is apparent that NTPS leaders need to think beyond 'people management' to 'human capital management'. This is a significant change in the way we approach the management of our people.

The concept of human capital management provides a direct link between the capability of employees, the human capital of the agency and NTPS and organisational capability.

Human capital is much wider than just people in an organisation. It is a more systematic approach to building and sustaining 'organisational capability' which is a combination of people, processes, systems and structures. The concept of human capital also recognises the influences of workforce factors (those that relate to people) and workplace factors (those that relate to the organisation).

The performance of people matters because of its impact on organisational capability and, subsequently, organisational performance. It brings with it a different language and way of thinking about employees and, to be a systematic approach, needs to be delivered across the entire NTPS.

WHAT IS THE NTPS HUMAN CAPITAL FRAMEWORK?

The NTPS Human Capital Framework has been used to develop the NTPS Human Capital Plan. In essence, the Framework is a "tool" that demonstrates that human capital is a direct input to organisational performance and links these in a way that allows leaders, managers, and HR practitioners a clear line of sight from their consideration of the external operating environment, through the type of people strategies that can be used to improve organisational performance.

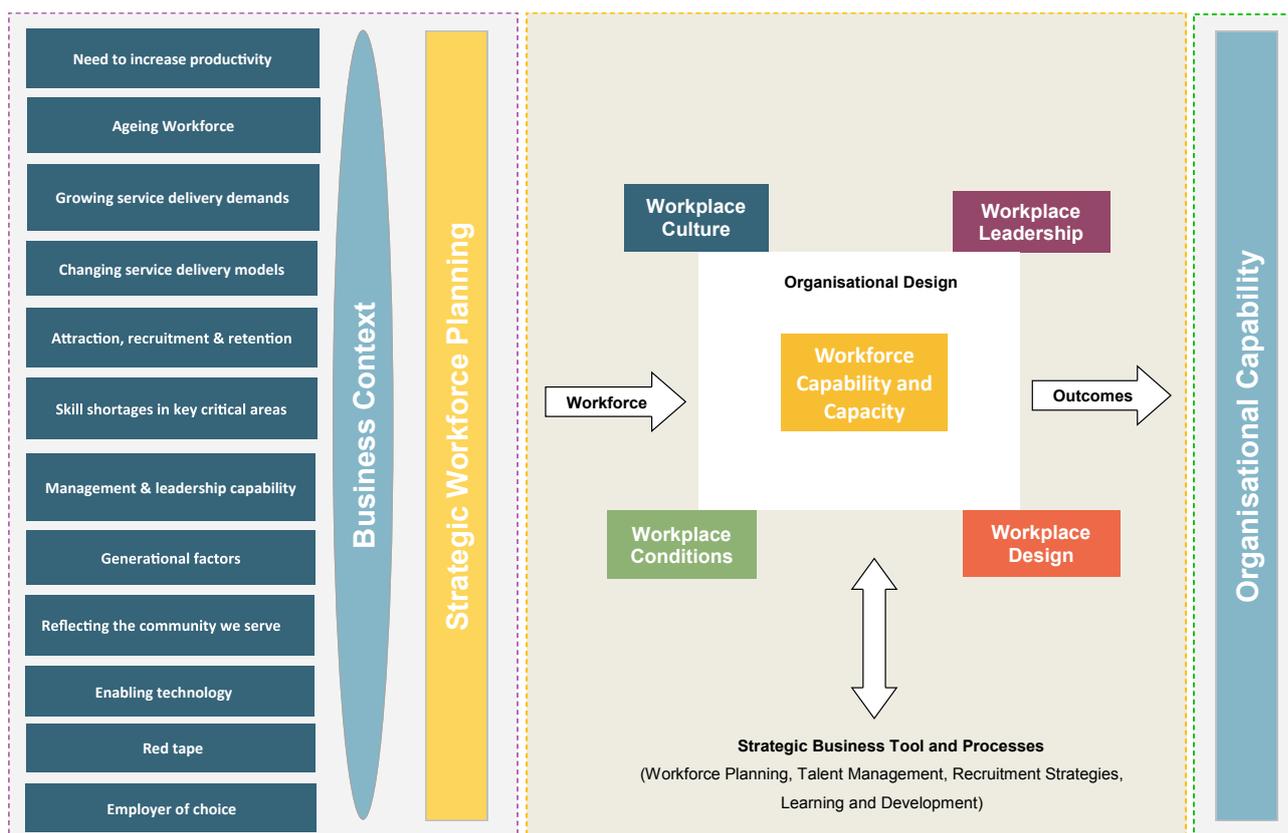
The Framework demonstrates that the interactions between the elements of human capital are complex and any analysis of them will require consideration of their business

and organisational context. It also clearly demonstrates that traditional workforce business tools and strategies such as talent management or performance management, while not human capital elements per se, have a direct impact on an organisation's human capital, and consequently, organisational capability.

The NTPS Human Capital Framework has been adapted from the Australian Public Service (APS)² Framework. The APS model was developed as a holistic approach to understanding and analysing the impact of a range of key human capital elements on the workforce capability and capacity, and subsequently, on organisational performance.

²The Australian Public Service Commission has kindly given the NTPS permission to use and adapt the framework for our purposes. Further information on the development of the APS Framework can be found at: <http://www.apsc.gov.au/publications-and-media/current-publications/staff-research-insights/planning-framework>

NTPS HUMAN CAPITAL FRAMEWORK



WHY DO WE NEED A HUMAN CAPITAL FRAMEWORK?

Primarily, the Framework is the analytical tool that will be used to consider the strategic workforce needs of the NTPS at a whole sector level. Consequently, the ongoing use of the Framework allows the NTPS Human Capital Plan to be a living document that can be adjusted and updated over time to address new priority areas and emerging trends and issues.

The Framework however has a much broader reach than this. It can be used for multiple purposes (e.g. as a diagnostic tool to create solutions for business problems; as a workforce planning tool to reconcile workforce demand with workforce supply; or as a business tool to work through organisational capability issues). Examples of how the Framework can be applied are provided at “How can agencies use the Human Capital Framework” page 18.

The Framework will apply across the range of NTPS agencies, enabling large and small agencies to benefit from a systematic process to considering information, data and analysis and interaction of the external environment and human capital elements – and the impact on organisational capability.

As such it will guide and inform human capital development across the NTPS and enable the effective management of agency workforces to better align NTPS human capital planning with the priorities and expectations of Government.

Agencies can therefore use the Framework in human capital decision making confident that those decisions can be aligned with Government mandates.

THE MAIN ELEMENTS OF THE HUMAN CAPITAL FRAMEWORK

Challenges and Business Context

An examination of the broader external environment in which the organisation operates through the lens of the current business context (agency or sector wide).

Strategic Workforce Planning

A continuous business planning process of shaping and structuring the workforce to ensure there is sufficient and sustainable capability and capacity to deliver organisational objectives, now and in the future.

Elements of Human Capital

- Workplace Culture (ie “the way we do things around here”. Closely related to values, is reflected in language used and the traditions of an organisation. Heavily influences morale, productivity, commitment and innovation).
- Workplace Leadership (behaviour of leaders and managers at all levels because leadership occurs at all levels (not just senior levels) and has a direct impact on the workforce (e.g intention to leave).
- Workplace Conditions (financial and non-financial remuneration, the industrial legislative framework in place and other basic conditions of the workplace including psychosocial conditions in the workplace (e.g. the workplace demands on individuals, the control they have, work-life balance).
- Workplace Design (refers less to the physical layout and more to the complexity of how the workplace is organised and the nature of the work done e.g Is the workplace hierarchical, flat or matrix? Are tasks well defined or fluid?)

Human Capital Response

The interaction between the range of strategies an organisation might identify as a result of workforce planning and the elements of human capital (above) is the Human Capital Response.

Individual strategies may impact each element of human capital to varying degrees, so the effects of a strategy may be indirect and even unanticipated. As such, human capital planning needs to consider potential strategies in a holistic sense, and be aware that the workforce effect they seek may be achieved in a variety of ways.

Organisational Capability

Refers to the sort of outcome we are looking for, for example: *‘A sustainable NTPS workforce capable of delivering the required products and services to the NT Community now and into the future’.*

Organisational Performance

The ultimate outcome of human capital planning is better organisational performance.

Organisational Design

Binding all of these together is a complex set of relationships that might be generic across agencies, or specific to a particular agency in which they are being considered.

Strategic Business Tools and Processes

These include workforce planning, recruitment strategies, training and development and are also used to influence human capital.

Workplace Capability and Capacity

This reflects the two key components of the people or workforce component of human capital planning; the capability of the workforce, which refers to WHAT the workforce can do; and the capacity of the workforce, which refers to HOW MUCH of it the workforce can do. So, it will reflect the particular skill sets available in the workforce as well as the number of staff in the workforce, the gap between the actual staff numbers and the workforce required, and employee engagement.

NTPS BUSINESS CONTEXT

The Government's strategic plan (Framing the Future) underpins service delivery for all Territorians and helps Government maximise the new and evolving opportunities within the Territory, Northern Australia and with our Asian neighbours.

Since the early 2000s, the resource boom has been driving economic growth in the Northern Territory and our economic forecasts are among the best in Australia, underpinned by major investment and construction projects. The Northern Territory's economic future is also closely tied to the economic growth of its major trading partners in Asia.

Under the Northern Australia development agenda, agriculture and mining are critical to the Northern Territory and we operate under the challenges of providing public services across vast, disparately populated and economically deprived, areas.

We operate in a tight fiscal environment where agencies are increasingly required to 'do more with less'. Whilst the demands for services delivered by agencies and the complexity of those services are increasing, funding to deliver those services from the federal government is dependent on factors which are out of our control.

We live in an age of change and increasing complexity and ambiguity. The world of work is changing fast. Communities and governments face challenges that are complex, diverse and often 'wicked', meaning that the problems are deep and embedded and hard to identify and resolve. This is the landscape we operate in and it demands new ways at looking at problems and skills such as adaptability, agility, innovation and the capacity to use emotionally intelligent leadership to lead people through constant change.

STRATEGIC WORKFORCE PLANNING

Strategic workforce planning is an important and integral part of an organisation's continuous business planning process to shape and structure the workforce. We use workforce planning to ensure that we have the right people, in the right numbers, in the right jobs at the right time and place to meet government objectives and deliver services to the NT Community.

Whilst workforce planning is a critical enabler for agencies to attract and retain the talent they require now and into the future, the level of planning undertaken across the NTPS varies considerably between operational workforce planning (short term and in response to more immediate operational business drivers) and strategic workforce planning (long term and integrated into business planning).

What we are striving for is sector wide strategic workforce planning, driven by leaders and integrated into business planning, which takes a long term view and develops initiatives to manage long-term workforce risks in terms of both capability and capacity.

NTPS HUMAN CAPITAL PLAN 2015-2020 (SUMMARY)

We have used the Human Capital Framework to examine our broader external environment through the lens of our current business context and in light of current strategic workforce planning.

We have then focused on the elements of human capital to inform our Human Capital Response and developed strategies to achieve the Human Capital Response keeping in mind the interconnectedness of strategies in the Human Capital Plan and potential impact of strategies on other human capital elements.

The aim of this Human Capital Plan is to achieve our stated Organisational Capability and the purpose of that is better organisational performance as a public sector.

Organisational Capability

The NTPS will have a sustainable workforce with the capacity and capability to deliver the required products and services to the NT Community and meet the priorities and expectations of Government now and into the future

WORKPLACE CULTURE

Human Capital Response

We have a positive and high performance culture.

We have high performing teams.

We strive to achieve continuous improvement and operational efficiencies in everything we do.

Strategies

Use the NTPS Values, the CLF and the Code of Conduct to clearly craft and articulate the culture the NTPS is striving to achieve in language that is easily understood by existing staff and future recruits.

Continue to actively promote NTPS Values and the Code of Conduct through various products and mediums to encourage behaviours that drive performance improvement and efficiency and promote the integrity of the NTPS.

Continue to conduct the People Matter survey. Analyse the NTPS results and agencies' response plans and progressively develop strategies (NTPS Response Plan) to address issues and achieve the desired culture.

Show case achievements of high performing teams, innovation and improvements in operational efficiencies through Chief Minister's Awards, opportunities to present at OCE leadership programs and employee forums.

Create a sector wide "ideas program" to harness the collective wisdom of the workforce and encourage suggestions that foster high-performance practices, improvements in productivity and customer service, improvements in organisational efficiency etc.

Achieve more positive workplaces by reducing inappropriate behaviour (including bullying, harassment and discrimination) and addressing employee grievances across the sector.

WORKPLACE LEADERSHIP

Human Capital Response

We have high performing managers and leaders who use their capabilities to achieve increased performance and productivity and model the NTPS values.

Strategies

Explore the development of a consistent performance framework for senior executives which includes human capital KPIs (alongside other KPIs such as financial).

Continue to provide the suite of leadership development programs based on the CLF which meet the needs of agencies and develop other programs to address leadership capability gaps especially at supervisory entry points.

Review leadership capability tools and frameworks and explore the development of an NTPS Leadership and People Management Strategy.

WORKPLACE CONDITIONS

Human Capital Response

We create the right environment for people to perform at their best.

We have a workplace that is reflective of the community we serve.

We create the right environment to attract talent.

Strategies

Develop an NTPS Transition to Retirement policy.

Increase representation of EEO groups by ensuring IECDS is fully implemented, ensuring EmployAbility is fully implemented and continuing to promote women in leadership development opportunities.

Continue to negotiate Enterprise Agreements in line with NTG Wages Policy to provide competitive pay and conditions.

Ensure employment legislation and instruments are contemporary through regular reviews.

Design and develop policies and programs under the Revitalising the Public Sector initiatives including Simplified recruitment, Recognising service milestones, Flexible work arrangements, Future Leaders' Network, Training Guarantee, Asian language, and promote private health insurance, and assist agencies with information, resources and tools to implement.

WORKPLACE DESIGN

Human Capital Response

We have enabling technology and best practice systems that help people to do their jobs better.

Strategies

Assist with reducing red tape and duplication across the public sector and promote consistency and economies of scale in relation to human capital matters by contributing to the identification of opportunities to apply best practice systems, processes or policies.

Improve performance and productivity in the public sector by assisting all agencies to have a formal performance management system in place and supporting it with training for managers and staff.

Design a capability development plan to strengthen technical capability across the sector (e.g in policy, project management, HR/IR, ICT, procurement).

Investigate alternative and innovative ways to provide employees with training and development opportunities whilst reducing the financial impost of training costs on the NTG budget, e.g avenues for employees to salary sacrifice work related training and development expenses, greater awareness of free online MOOCS and Coursera courses.

Foster greater mobility across the sector by promoting opportunities under the Broadening Our Horizons policy, and other mobility programs that are developed

Improve human capital planning and management across the public sector by ensuring systems are in place to capture data and there are adequate skills and capacity to interrogate data and produce meaningful reports upon which evidence based decisions can be made.

Strengthen the skills and capability of HR practitioners across the sector, particularly strategic HR and Workforce Planning and Development skills, to enable the promulgation of human capital management. Provide tools, training and networking opportunities including an annual human capital planning forum.

HOW CAN AGENCIES USE THE HUMAN CAPITAL FRAMEWORK?

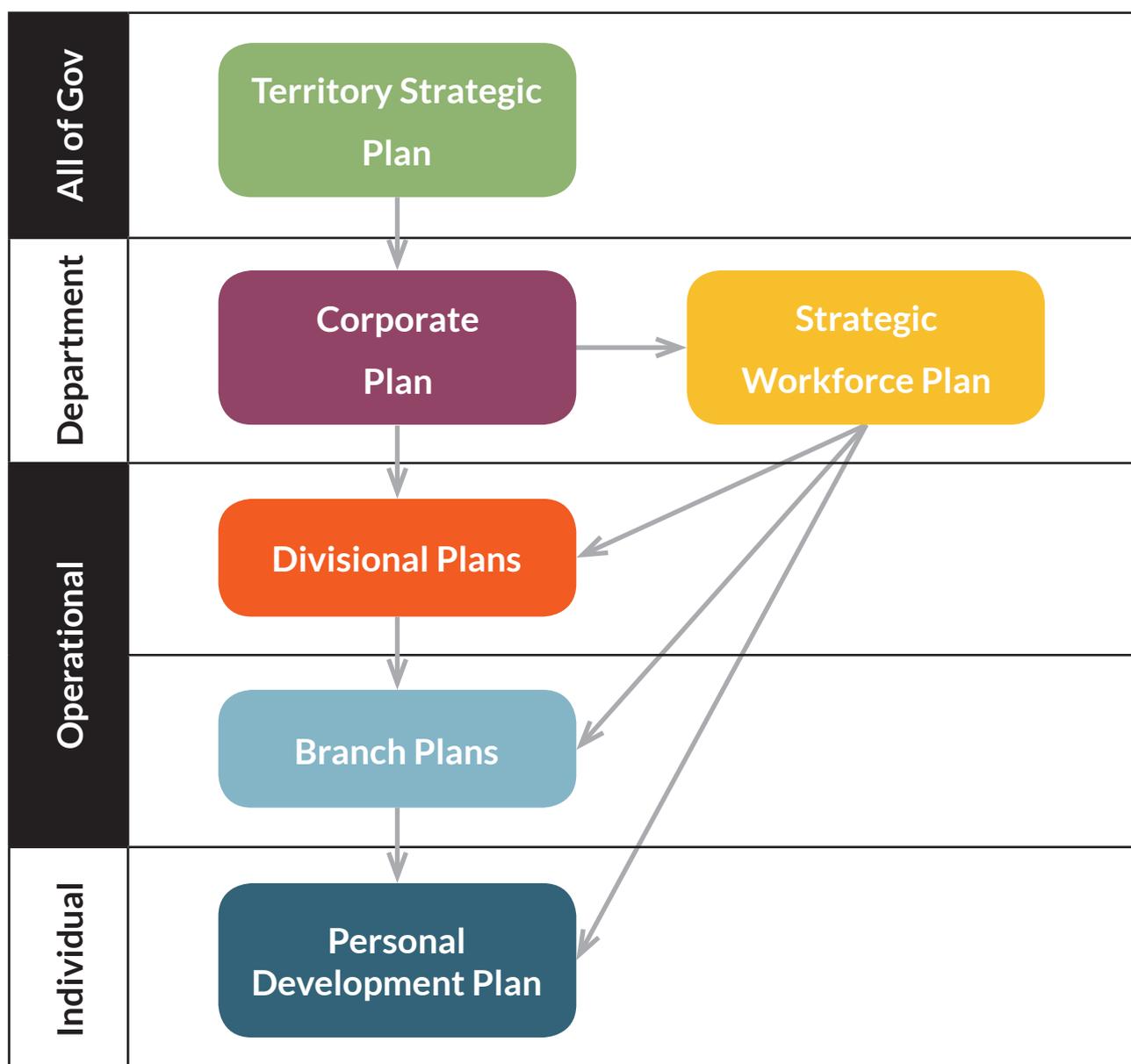
Agencies can use the Human Capital Framework for a range of purposes including to help develop agency strategic workforce plans.

Agency Strategic Workforce Plans

Agencies play a key role in utilising their human capital (a combination of people, processes, systems and structures) to deliver the priorities of government for the benefit of Territorians. Agency Strategic or Corporate Plans usually requires the development of a Strategic Workforce Plan in order to align their workforce with strategic goals.

The following model demonstrates the planning process.

Planning Model

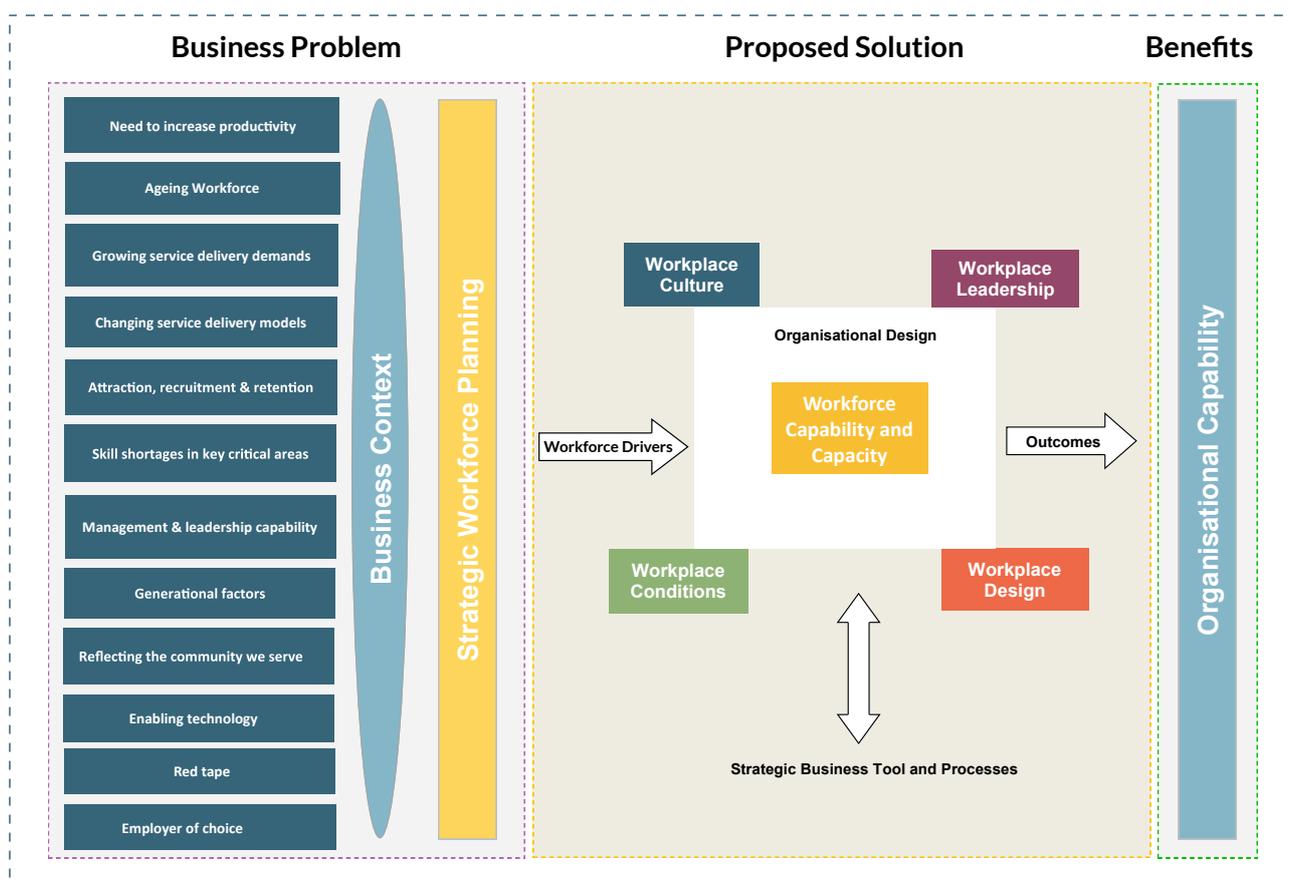


Steps in developing an agency Strategic Workforce Plan

1. *Gather*- relevant information from inside and outside the agency such as demographic data and environmental factors;
2. *Analyse* - the information to identify challenges, issues, and gaps for the agency;
3. *Develop* – in consultation with key stakeholders, develop strategies to address the challenges, issues and gaps;
4. *Implement* – communicate and implement the plan;
5. *Monitor* – and evaluate the extent to which the plan achieves its objectives.

The Human Capital Framework can assist with these steps because it can be viewed as a business tool from a number of different perspectives, and it can be applied to a broad range of organisational capability issues. Some of these are outlined below:

Benefits Management Frame - A benefits management framework identifies three key components for any potential business intervention: the business problem, the proposed solution, and the business benefits to be achieved.



Supply-Demand Frame - One of the ways of conceptualising workforce issues is to reconcile the workforce demand with the workforce supply (internal or external). The supply-demand approach remains the foundation of most workforce planning activities whether at a very local level or at the most strategic. Whilst it is often limited to managing immediate capacity, the Framework provides a way to understand workforce planning as an interdependent suite of activities that focuses on positioning the workforce to deliver organisational outcomes.

Business improvement - Agencies seeking business improvements might use the Framework to identify the human capital requirements required to support the outcomes they are seeking to achieve, i.e. which of the human capital 'levers' can we adjust to achieve a better fit between our human capital and the organisational capability in the face of an ageing workforce?

Forensic analysis - Another key business application for the Framework is in situations where there has been a business failure that requires analysis and the identification of possible preventative measures for the future. In this case, agencies can "reverse engineer" the outcome (ie start with the undesirable outcome (e a major ICT breach shut down all NTG ICT systems for 2 days) and use the framework to identify the elements of human capital that might have contributed to the outcome to inform investment in those areas to prevent similar outcomes in future.

Scenario modelling - Scenario modelling refers to a process where agencies can examine the impacts of a range of changes in the external and internal environment (through the lens of the business context) and identify what effect these might cause and how they might be mitigated by differential application of the different human capital levers, e.g changing service delivery models and their impact on agency structures and skill sets).

Note: that this ability of the Framework to be viewed through a variety of business frames of reference reinforces the clear link between human capital and organisational capability to deliver its outcomes, however there are a number of other types of capital (e.g. financial) that impact on organisational capability, so the link between human capital and organisational performance is always moderated by these.

The Strategic Workforce Planning & Development (SWPD) team can provide advice and guidance to HR practitioners in developing their Strategig Workforce Plans.

APPENDIX A - INFORMATION, DATA AND TRENDS

‘Better data means better decisions.’

NTPS Data

The range of NTPS data we used in the preparation of this Plan is the same data we use for the preparation of the *NTPS State of the Service Report (SOSR)* each year. This information was last obtained in July 2014 and 2015 SOSR data will be made available in late 2015. At that time, the data will be analysed and the Plan reviewed and revised in light of that data.

Consultation

The Human Capital Plan was developed with consultation and input from the NTPS wider HR community. This community includes HR Directors, other HR practitioners and other senior NTPS stakeholders with an interest in capability planning and development in the public sector.

A number of agencies have strategic workforce plans in place and whilst they are called various names (e.g Strategic People Plan, Strategic Workforce Plan, Workforce Development Plan), they generally analyse the environmental factors the agency operates under, identify the challenges the agency faces and contain strategies to address those challenges and make their workplaces and workforce more positive, productive and sustainable.

In the development of this Human Capital Plan, all of the above information was taken into account.

An online survey asked respondents to identify environmental and workforce/workplace challenges. The survey asked respondents to indicate 5 elements the plan should include in order to be truly strategic and 5 elements the plan should include in order to provide agencies with guidance and direction.

Survey responses were followed up with 5 focus groups where attendees provided further input and feedback on the initial concept of using a Human Capital Framework. The wider HR community has also been kept apprised of the development of this Plan through regular email communication.

Retirement Intentions Audit

In April 2015, OCPE engaged Government Skills Australia (GSA) to conduct a Retirement Intentions Audit of NTPS staff 45 years and over to identify retirement intentions and possible retention, succession and recruitment plans. The results have assisted us to understand the profile of our ageing workforce and will assist us to develop strategies around attraction, development and retention of employees planning to retire and ease the pressures associated with an ageing workforce.

People Matter Survey Results

Information from the results of the 2014 People Matter survey was used in the preparation of this Plan. The 2014 People Matter survey report will be available from the OCPE website in late 2015.

APPENDIX B - REFERENCES

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