

Workforce Planning at Aetna

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October 15-17, 2008

Human Resource
Executive's



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Conference & Exposition

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Overview of Aetna

❖ About Aetna

- ❖ A leader in health care, dental, pharmacy, group life, and disability insurance, and employee benefits.
- ❖ HQ in Hartford, CT
- ❖ 35,396 employees
- ❖ Revenue \$27.6 billion (2007)
- ❖ Median age: 42
- ❖ % over 55: 15

Why Strategic Workforce Planning?

Skills shortages

Aging workforce

Globalization

M&A

Contingent workers

Emerging markets

Joint Ventures

Work/life balance

Generations

Workforce mobility

Educational trends

Technology

Growth

Telecommuting

.....etc, etc

Workforce Planning at Aetna

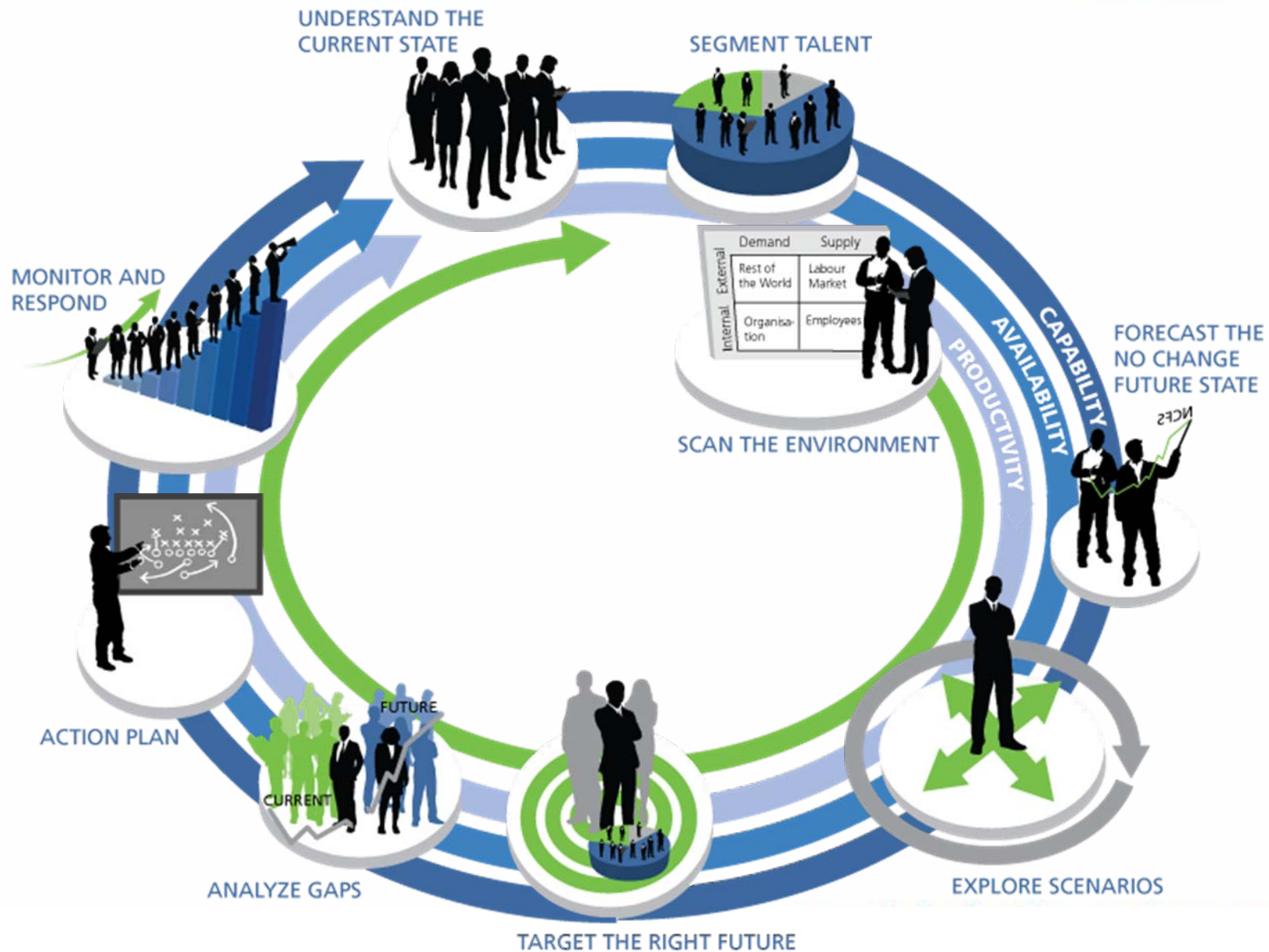
❖ Critical job groups

- ❖ Targeted five critical job groups in 2008
- ❖ Selected based on criticality to overall growth strategy
- ❖ Mirrors Aetna's Talent Pool strategy
- ❖ Challenges with supply and/or retention
- ❖ Today's focus is on nursing
- ❖ Introduction to WFP includes one day working session with business leaders, HR partners
- ❖ Current state, trends, targeted future and actions to address desired future identified
- ❖ Identify priorities for strategic/operating plans; build framework for human capital plans

❖ Critical employee segments

- ❖ Veterans, Retirees, POC, People with Disabilities, parents
- ❖ Received "Age Friendly Certification" from AARP job board
- ❖ Established Boomer Employee Resource Group
- ❖ Holding "returning to work" acceleration days aimed at critical employee segments

Workforce Planning Methodology



Methodology Delivers....

Intelligently positioned initiatives and solutions to ensure each business area has the right people to deliver its strategy:

“Solutions driven by business needs”

What the business comes away with...

- ❖ Clearly defined future workforce **gaps** with solutions
- ❖ Right people, right skills, in the right place at the right time
- ❖ Measurable **action plans**
- ❖ **Solutions** to address human capital needs
- ❖ Practical, **easy to use** approach to keep pace with changing workforce and business conditions
- ❖ Workforce planning actions to inform the **strategic and operating plans**

Executing the WFP Workshop

- ❖ **Two half-days (or one full day), 10-12 business and HR leaders gather together to build a comprehensive, shared view of the current and future workforce**
 - ❖ Prereading (metrics + environment scanning) to stimulate some thinking about the current state of the workforce, external market influences
 - ❖ Combination of qualitative and quantitative dialogue; group use scenario technique to explore potential outcomes and identify the preferred future workforce; actions to support this vision
 - ❖ Participants need to be high level enough to make decisions, reference future business strategy and to understand current “pain” points around workforce supply and demand

Environment Scan

Demand	Supply	
<p>ROW - Rest of World Political, Environment, Social, Technology</p> <ul style="list-style-type: none"> •Political Agendas •Technological advancement •Social trends •Environmental awareness •Education •Legislation •Globalization ...the list is endless 	<p>Labor Market</p> <ul style="list-style-type: none"> •External workforce data •BLS data •Industry •Competitor employment offers 	External
<p>Organization</p> <ul style="list-style-type: none"> •Culture and values •Work organization •Business operations and processes •Management systems •Service agreements •Budgets •Client or customer survey information •New business/joint ventures/alliances •New technology or processes •Changing responsibilities 	<p>Employees</p> <p>Profile data</p> <ul style="list-style-type: none"> •Gender and age distribution •Job level/salary composition •Geography •Employment mode (e.g. part-time) •Length of service •Performance review •Capabilities <p>Trend data</p> <ul style="list-style-type: none"> •Separation, transfer rates •Exit interview information •Overtime applications •Recruitment, redeployment patterns 	Internal

Metrics to Stimulate Thinking

Current State

Workforce Demographics				
Measure	Current Staff	Recent Hires	Recent Separations	Average of All Groups
Median Age	50	44	45	42
Median Retirement Age			65	
Median Length Of Service	2.9		0.2	7.3
Mean Working Hours	39.13	39.79	39.25	39.56
# of Employees	3,527	469	273	36,302
% Female	92.5%	91.7%	90.8%	75.7%
% Management	11.7%	4.3%	4.0%	13.1%
%POC	20.0%	19.0%	1.1%	31.3%
Resignation Rate			6.9%	
Retirement Rate			0.1%	
Recruitment Rate		13.3%		
Total Turnover			7.7%	
# of FTEs	3,450.7	466.5	267.9	35,901.8
% Aged 55 Plus	30.1%	18.3%	17.7%	14.2%

Profiling the current workforce as well as the trends shaping the workforce.

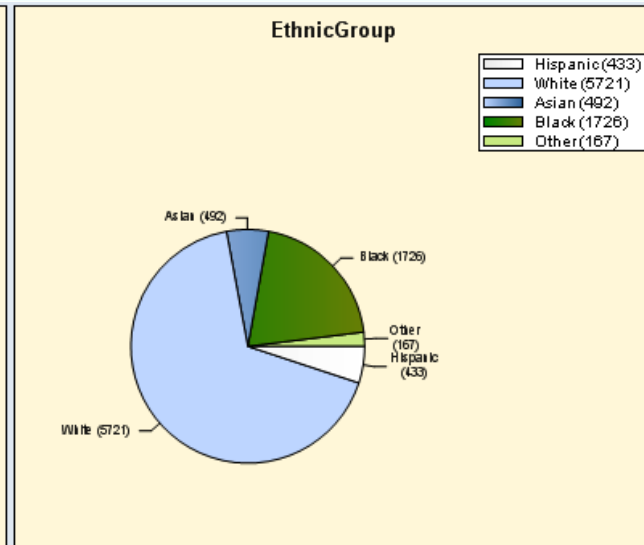
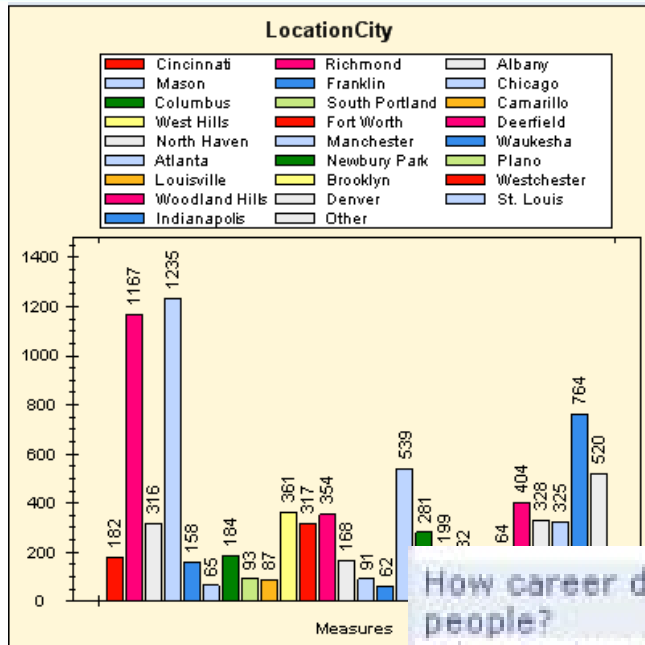
No Change Future State

Where You Are Heading			
Workforce Demographics			
Select Date:			
8/31/2011			
Measure	Current State	No Change Future State	Average of All Groups
Median Age	50	51	43
Median Length Of Service	2.9	4.0	6.1
Mean Working Hours	39.13	39.34	39.62
# of Employees at Current Retirement Rate	3,527	4,115	38,135
% Female	92.5%	92.6%	75.3%
% Management	11.7%	10.7%	12.3%
%POC	20.0%	24.1%	36.5%
# of FTEs at Current Retirement Rate	3,450.7	4,046.7	37,769.8
# of FTE - Retirement Eligibility	NA	2,302	33,556
# of Employees if retire at 55	NA	2,336	33,840
# of FTE - Retirement at Current Retirement Age	NA	3,773	34,110
% Aged 55 Plus	30.1%	28.5%	13.3%

Representation of where the organization is heading if their trends don't change.

NOT REAL DATA!

Software for "Internal Consulting"



How career driven are these people?
 What is the employment relationship of this segment?
 Which would best describe the people doing the work in this CAP?
 Which is MOST important to this group?

Interested in career opportunities I

Permanent Full Time

Professionals with qualifications

Contribution to the organisation



The median length of service in this group will increase by 16%



Based on turnover and recruitment rates, your workforce will increase by 44%



The percentage of management in this group will decrease by 25%

3 Phases to Developing a Future

❖ Quantitative Futuring:

- ❖ Understanding the future you are currently tracking to by forecasting what your workforce would look like if current trends continue

❖ Qualitative Futuring:

- ❖ Scenario planning potential alternative futures in terms of capabilities and demographics to deliver your business strategy.

❖ Targeted Future:

- ❖ Analyzing the content of your forecast and your scenarios then fine tuning to develop a targeted future

This is NOT Scenario Planning

- ❖ “Best, Worst, Most Likely”
- ❖ “If we reduced turnover by 5%”
- ❖ “If we grow by 10%”

These are alternative forecasts based on historical data – not true scenario planning

FORECASTING is NOT enough

Exploring Scenarios

❖ Online scenarios:

- ❖ Stimulate thinking/model possible futures BEFORE discussion

AND/OR

- ❖ Test hypotheses AFTER discussion

Example Online Scenario

CAP Group Factor Grid

These are factors that impact the Scenario CAP Group (These factors impact all Talent Segments the same)

+ ADD FACTORS - DELETE FACTORS

Availability Impacts - calculated in FTE

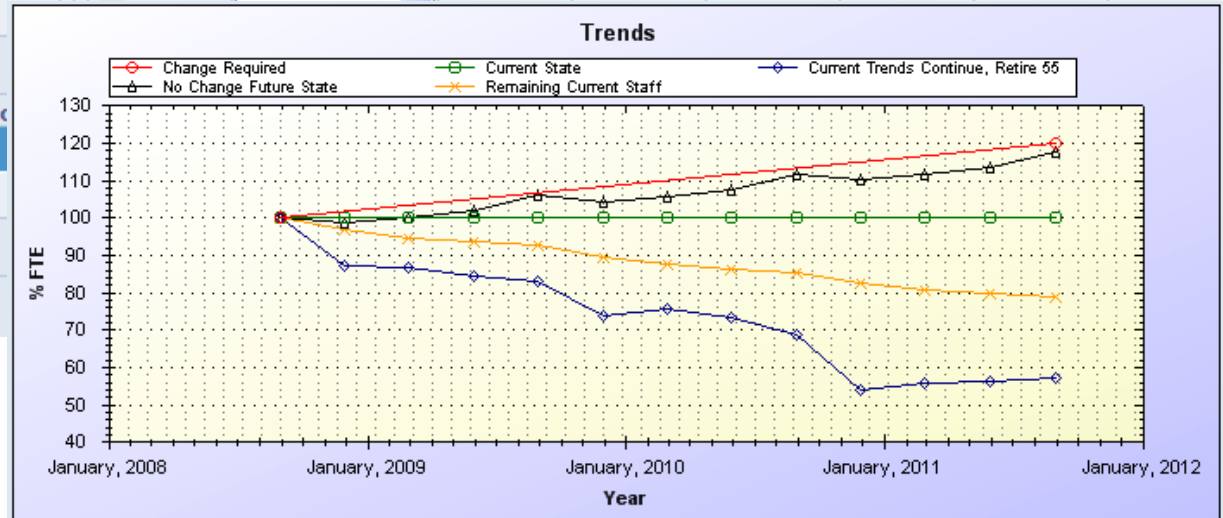
Title	Mandatory	Impact	11/30/08	02/28/09	05/31/09	08/31/09	11/30/09	02/28/10	05/31/10
New Recruits	<input type="checkbox"/>	Mid	373.32	228.58	141.03	179.35	309.46	189.47	111.03
Cap Group Movement - In	<input type="checkbox"/>	Mid	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cap Group Movement - Out	<input type="checkbox"/>	Mid	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Move to Lower Working Hours	<input type="checkbox"/>	Mid	-25.59	-20.05	-20.65	-20.86	-21.22	-16.62	-11.11
Organisational Growth Targets	<input type="checkbox"/>	Mid	-46.50	-36.42	-37.52	-37.89	-38.54	-30.19	-31.11
Other Turnover	<input type="checkbox"/>	Mid	-12.08	-5.10	-4.87	-2.44	-10.01	-4.23	-4.11
Planned change in hours per week	<input checked="" type="checkbox"/>	Mid	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Promoted into Career path Step	<input type="checkbox"/>	Mid	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Promoted out of Career path Step	<input type="checkbox"/>	Mid	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Resignation Rate	<input type="checkbox"/>	Mid	-92.03	-55.26	-30.83	-31.78	-76.29	-45.81	-21.11
Retirement Rate	<input type="checkbox"/>								

Availability Total New Progressive FTE

Productivity Impacts - calculated in % change

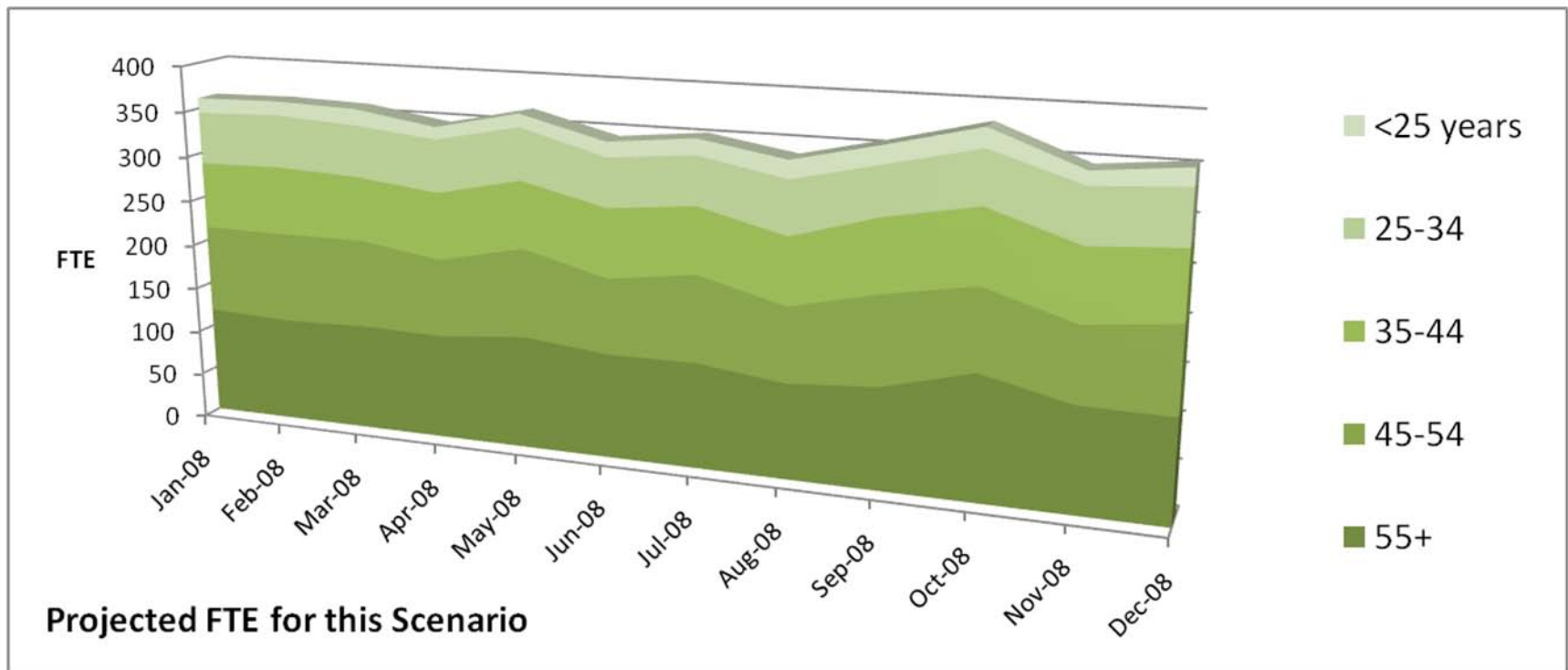
Title
Productivity Improvements from Technology

Productivity Total
New Progressive Productivity



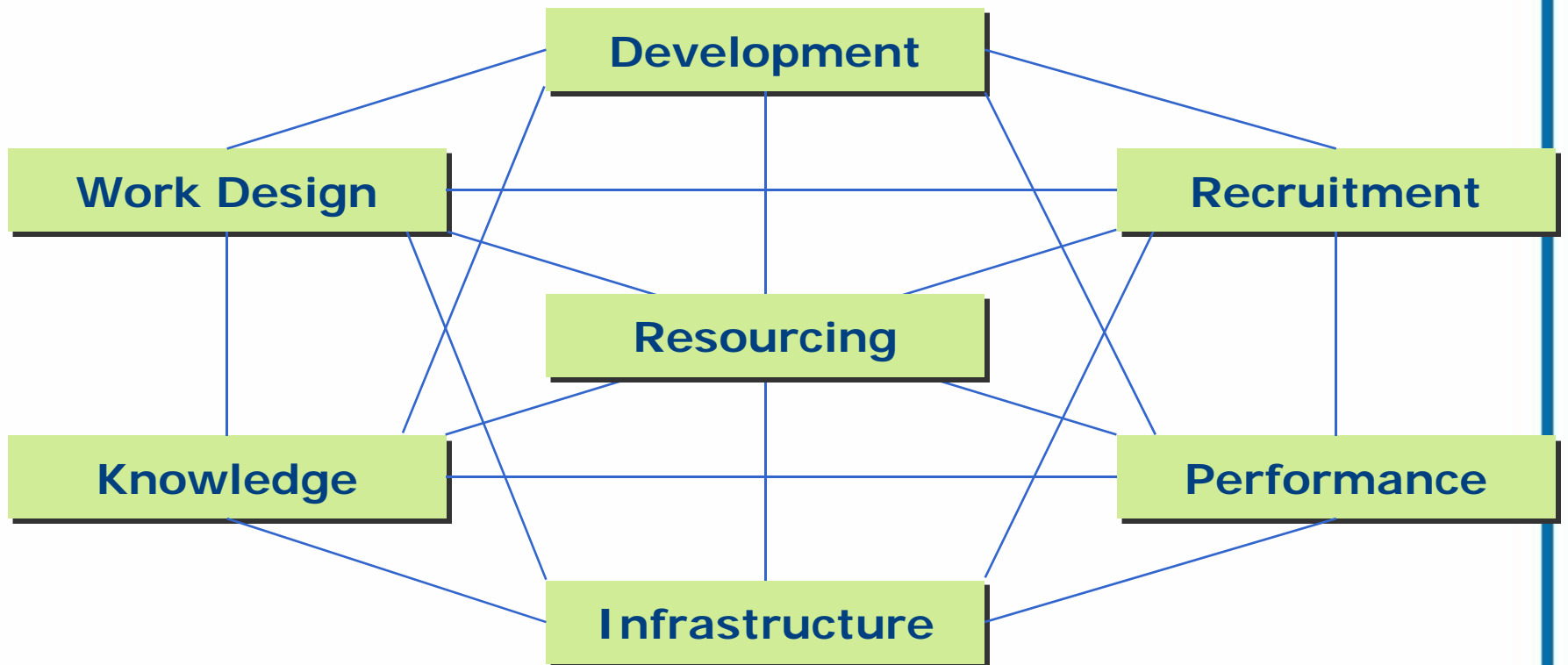
NOT REAL DATA!

Scenarios by Bands



NOT REAL DATA!

Action Plan Sections



Action Plan Sections

Development Plan

What skills/capability gaps are there? How are they to be addressed?
What career paths are there for this segment?

Resourcing Plan

Insource/Outsource
Intent
Contracting Intent
Redeployment/Exit
Strategy
Location

Recruitment Plan

How are we to identify, attract, select and employ the gaps?
What skills are deficient?
How do we want to welcome people?

Work Design

Does the work design support the employee profile?

Performance Plan

What are we going to do to ensure they are managed and developed properly?

Knowledge Plan

Minimise impact of turnover on organisation's capability
Any point sensitive areas?

Support Infrastructure Plan

a) Reward & Recognition Strategy
b) Employment Relations Approach
Physical Infrastructure

Online vs. Offline Activities

Online

- ❖ Metrics, trends
- ❖ Forecasting
- ❖ Scenario development and testing
- ❖ “Numbers” developed and included for environment scans
- ❖ Action plans
- ❖ Monitor progress

Offline

- ❖ Analysis and assessment
- ❖ Discussion and consensus
- ❖ Environment scanning
- ❖ Futuring and “real” scenario planning
- ❖ Strategy development

Outcomes

- ❖ Documented insight into the trends impacting the workforce, including the effect retirements and other trends will have on the future workforce
- ❖ Solid analysis of the strategies and trends which impact the workforce in the future
- ❖ Definition of the targeted future workforce
- ❖ Clearly defined future workforce gaps with solutions for these gaps
- ❖ Measurable action plans to be incorporated into a human capital operating plan
- ❖ Regular automated progress checks against plan

Value of Software: Streamlining

❖ Automation and standardization = Deliver more

- Much faster analysis, involve more people and groups

❖ Enable decentralization

- Push out framework
- Directly involve HRBP's, Line in the process, with surveys, with input
- Role driven and workflow supported

❖ “Standard but feels tailored”

- Your terminology, instructions, factors, groups, logo

Value of Software: Monitoring

❖ Online, live workforce plan

❖ Two kinds of progress monitoring

- Minor: online plan review, environment scan, push out
- Major: reload data, progress is checked against targets

❖ Sponsors and other roles alerted to issues

- We can't predict the future, so we have to monitor our progress!
- Assumptions are recorded explicitly so we can learn

Value of Software: “Heavy Lifting”

❖ Automating analysis

- No more individual spreadsheets
- Metrics and charts created easily and automatically

❖ Historical trends used to create projections

- Best/worst/mid – or user override
- Include transfers and promotions
- Include multiple data sources

❖ Workflow keeps participants involved and informed

❖ Frees the WFP team to do STRATEGIC WORK!

What We Are Learning

- ❖ **Testing variety of “what ifs” (scenarios) proves valuable**
- ❖ **In addition to job specific learnings, key macro themes emerging thus far:**
 - ❖ managing in the telework environment; geographic spread of our business locations and how we select new geographies; considering a different hiring profile - entry level vs. experienced; skill set shifts to mirror strategy needs
- ❖ **Other learnings/discussion points:**
 - ❖ Knowledge transfer processes for retirement eligible employees;
 - ❖ People of color trends across critical job groups
 - ❖ Assessing employee intention regarding retirement
 - ❖ Internal and external demand for part-time work
 - ❖ Where does outsourcing fit in?
 - ❖ Successfully managing generational diversity

Next Steps

- ❖ **LOTS of organizational demand - additional job groups in 2009**
- ❖ **Measure outcomes of human capital actions included in business operating plans for critical job groups**
- ❖ **Further evolve “Practice Group” approach**
- ❖ **Synch workshop timing with enterprise strategic planning cycle**

Find Out More

❖ **Aruspex – Booth #545**

❖ **Melissa there today!**

❖ **Other free learning opportunities:**

❖ Wed 2:15pm: Strategic Workforce Planning Software

❖ Wed 5:00pm Fast Track Your Workforce Planning

❖ Thu 10.15am: Why Workforce Planning?

❖ Thu 1:00pm: Strategic Workforce Planning Software

❖ Thu 3.15pm: Becoming a Great Workforce Planner

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Strategic Workforce Planning

Q&A

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