

Conducting an Environmental Scan and SWOT Analysis

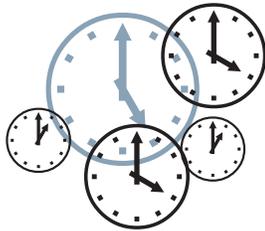


Right People,



Right Place,

Right Time



for
State of Alaska
Agencies

State of Alaska,
Department of Administration,
Division of Personnel & Labor
Relations

Tabel Of Contents

| | |
|--|-----------|
| <i>Conducting the Environmental Scan</i> | 2 |
| Creating an Environmental Scan Team | 2 |
| Finding External Data | 2 |
| Checklist: Sources for External Data | 3 |
| Finding Internal Data | 4 |
| Checklist: Sources for Internal Data | 4 |
| <i>Conducting the SWOT Analysis</i> | 5 |
| Before Beginning the Analysis | 5 |
| Creating a SWOT Analysis Team | 5 |
| SWOT Analysis | 6 |
| <i>Fitting the SWOT into Workforce Planning</i> | 7 |
| <i>Resources</i> | 8 |
| Sample SWOT Matrixes | 8 |
| Local Coffee House SWOT Analysis | 8 |
| Department X SWOT Analysis | 8 |
| Human Resources SWOT Analysis | 9 |
| Questions to Ask During the SWOT Analysis Meeting | 9 |
| <i>Ground Rules for the SWOT Analysis Meeting</i> | 10 |
| <i>Sample Email Survey</i> | 11 |

Table Of Contents



| | |
|--|-----------|
| <i>Blank SWOT Template</i> | 12 |
| <i>Additional Resources</i> | 13 |
| Websites: | 13 |
| Publications: | 13 |
| Division of Personnel and Labor Relations, State of Alaska publications: | 13 |
| Division of Personnel & Labor Relations Service Centers: | 13 |

Conducting the Environmental Scan

In the Workforce Planning Desk Reference and Guide, the concept of environmental scanning and SWOT analysis is introduced. The purpose of this guide is to provide more in-depth information about conducting the scan and the analysis. It is one more tool for an agency's workforce planning toolbox. One assumption that has been made in creating these materials is that the department/division/agency has appointed someone as its "workforce planning champion," a person in charge of the agency's workforce planning efforts.

In order to begin creating and implementing a workforce plan, an agency needs to collect data that is relevant to the workforce. The best workforce plan is, by its very nature, holistic in nature, examining all aspects of the workforce and gathering the necessary data to make informed decisions. By scanning the environment for internal and external issues that could impact the work and function of the agency, the organization can more successfully plan for its future workforce needs.

Creating an Environmental Scan Team

A team approach works best in most agencies, for several reasons. First, having team members from various parts of the agency helps ensure that functional areas, services, or programmatic issues are not overlooked. Secondly, having a team helps create buy-in to the whole workforce planning effort and allows for transparency of the process. Transparency helps build trust in the plan, which is instrumental for its success.

The membership of the team will be unique to the agency, but typically the team should consist of front line supervisors, representative employees across the agency, and mid-level managers. The team approach includes taking these steps:

- Each team member researches one or more external or internal factors.
- Each team member prepares a list of relevant factual data that supports the factors that they have researched.
- Members share their completed lists with the entire team so that each member has a complete list of all factors.
- The purpose of the environmental scan is to simply gather the information from both internal and external sources. It is *not* to make any decisions at this point what to do with the data. That step comes next, in the SWOT analysis.

Finding External Data

On pages 15 and 16 of the Workforce Planning Desk Reference and Guide, there are five lists of some of the external factors that should be researched by the team. The lists are not all inclusive, and an agency may find it necessary to add or delete items from them. The following *External Sources of Information Checklist* will help team members find sources of data collections for the external factors on those lists.

| Checklist: Sources for External Data | | | |
|---|---|--|--|
| External Area | Type of Information | Sources | Web/contact Information |
| Occupational information | Demand and supply of workers in key occupational fields; emerging occupations and competencies; competitors in key geographic areas; college and high school enrollments and specialties | State and federal departments of labor; reports from the Division of Personnel and Labor Relations; colleges and university websites; local departments of education | http://www.labor.state.ak.us/home.htm http://dop.state.ak.us/website/index.cfm?fuseaction=EPIC.main http://www.alaska.edu/ http://data.bls.gov |
| Demographic information | Labor force age, sex, ethnicity; changes in labor force age, sex, ethnicity; new or terminated social programs; current trends in staffing patterns; emerging competencies; technology shifts | State and federal departments of labor; state and federal departments of commerce; state and local departments of health and social programs | http://www.labor.state.ak.us/home.htm http://data.bls.gov http://www.commerce.state.ak.us/ http://www.bea.gov/ http://www.hhs.gov/ http://www.hss.state.ak.us/ http://www.ipma-hr.org http://www.naspe.net |
| Government influences | New employment laws; revisions to current laws; trends in lawsuits; regulatory or statutory changes that impact the work being done; certification changes | State and local employment statutes and regulations; political trends in newspapers or online; professional organizations | http://www.law.state.ak.us/ http://www.elinfonet.com/fedlaws.php various publications such as newspapers, news magazines, and journals |
| Economic conditions | Unemployment rates- general and in specific geographic locations and specific occupations; competition for workers; availability of housing, transportation and other quality of life issues; available and qualified labor pools | State and federal departments of labor; national professional or personnel organizations; University of Alaska's WFD site; national and local newspapers | http://www.alaska.edu/swacad/wp/ http://www.ipma-hr.org http://www.naspe.net http://www.labor.state.ak.us/home.htm http://data.bls.gov various publications such as newspapers, news magazines, and journals |
| Geographic information | Migration into and out of the geographic area; desirability of key areas; turnover data | State and federal departments of labor; EPIC reporting | http://www.labor.state.ak.us/home.htm http://data.bls.gov http://dop.state.ak.us/website/index.cfm?fuseaction=EPIC.main |
| Technology information | Emerging trends in technology; types of skills needed for new technology | News reports and magazines; internet searches on new technology; technology watch groups | www.gartner.com www.trendhunter.com various publications such as newspapers, news magazines, and journals |

Finding Internal Data

Both external and internal data are significant in conducting the environmental scan. Internal factors include such items as current workforce skills, retirement patterns, and employee capabilities. When the agency team is looking at internal data, it will want to examine such things as those listed in the checklist below. Again, an agency may need to add or delete items, depending upon the unique needs of the agency.

| Checklist: Sources for Internal Data | | | |
|---|--|--|---|
| Internal Area | Type of Information | Sources of data | Contact information |
| Current workforce skills | Education; training; competencies | PDs; employee questionnaires; competency assessments | DOA.DOP.EmployeeRecords@alaska.gov https://dop.state.ak.us/trainalaskav2/ human resources service centers agency surveys, interviews, focus group |
| Demographic profiles | Age, gender, race | State EEO office; affirmative action plans | http://dop.state.ak.us/website/index.cfm?fuseaction=eoo.main |
| Unions | Support for change; current labor agreements | Union websites | http://www.afscmelocal52.org/ www.apea-aft.org www.local71.com www.psea.net http://www.acoa.us/ other union websites labor union contracts |
| Turnover data | Reasons for turnover; kinds of turnover; impact of turnover | Exit interviews; employee movement report | http://dop.state.ak.us/website/index.cfm?fuseaction=EPIC.main various department/division/agencies employee surveys |
| Budget data | Impact of organizational changes to the budget | OMB | http://www.gov.state.ak.us/omb/ |
| Political environment | Possible changes in leadership, i.e.: top government change (Governor) or changes in style / culture | Newspapers and journals; state webpages | various publications such as newspapers, news magazines, and journals |

Conducting the SWOT Analysis

Before Beginning the Analysis

In addition to the data captured during the Environmental Scan, many government agencies find that asking a representative group of employees about their perceptions of the agency helps them know where to focus its SWOT analysis. Sending out an email or creating an online survey instrument is one way to gain this information. A sample email is included in the resources section of this guide. There are several online survey instruments that can be used for this purpose, too, such as Survey Monkey or Zoomerang.

It is important that the information gained from employees be honest and objective, and respondents should be assured that their answers will be kept confidential and their anonymity will be maintained. Online surveys work well to guarantee confidentiality, but having a neutral person (who may or may not be the workforce champion) send and collect email responses can encourage respondents to more fully disclose ideas and opinions. Respondents also should understand fully why their answers are needed—to develop a workforce plan for the agency—so that they don't go off on tangents that are not useful to this process.

Creating a SWOT Analysis Team

Once the data is gathered from both the employee surveys and the Environmental Scan, the next step is the actual Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis. The agency will need to identify those persons who will be participating in the actual analysis. While some agencies may want the same team who discovered the data to be the people who analyze the data, there are other best practices that suggest that another group take on the steps in this part of the process.

There are a couple of reasons to appoint another team for the actual SWOT analysis:

- Another group reviewing the data allows for fresh eyes and new ideas. The group that gathered the data has, in all likelihood, already formed opinions about the information. It is helpful to have people without preconceptions do the actual analyzing.
- The SWOT analysis should be done by *no less than* mid-level managers, and preferably even a higher level of leadership, in addition to representative employees throughout the agency and front line supervisors. Leaders in the agency often have greater insight into those external and internal issues that need to be considered.

Once the agency has identified the team members, they will need time to review the results of the employee surveys and the Environmental Scan. One effective method to get the team thinking in terms of strengths, weaknesses, opportunities, and threats is to give them each a blank template of a SWOT matrix like the one on page 17 of the [Workforce Planning Desk Reference and Guide](#) (a blank template can be found in the resources section of this booklet). Ask them to draft their own thoughts on the templates, before coming together as a group.

The SWOT team may find it valuable to think in terms of [Strengths](#) and [Weaknesses](#) as [internal](#) to the agency, while [Opportunities](#) and [Threats](#) are usually considered [external](#) to the agency. Thinking in those terms should be beneficial in categorizing the data for the matrix.

SWOT Analysis

Once the team members have submitted their drafts, the agency's workforce champion will want to schedule a meeting (or several meetings) to complete the final SWOT analysis.

There are many interesting websites and printed resources for completing a SWOT analysis, some of which are listed as resources in the back of this booklet. A SWOT analysis is a tool used in government, business, and industry to meet a variety of needs. Most sources agree that following these six rules will help make the SWOT analysis useful.

- First and foremost, a SWOT is subjective. It is not an exact science, but using quantitative and qualitative objective data helps users trust the data and the process.
- Keep the SWOT simple. Avoid complexity—pick out those issues on which the agency needs to concentrate its efforts. If necessary, after addressing those issues, if other issues continue to be problematic, do another environmental scan and SWOT analysis to address those other issues.
- Be realistic about the agency's strengths and weaknesses. Ask for input from employees and leaders, and then use it.
- Use the SWOT to distinguish between where the agency is now and where it wants to be in the future.
- Be specific. Stay focused on the topic at hand—namely the workforce and the agency's human capital needs.
- Apply the SWOT in terms of the agency's competition. While conducting the SWOT, consider who competes with the agency for employees.

During the meeting, best practices suggest that working with one quadrant of the matrix at a time helps keep the team on task and on time. Many teams find it helpful to set time limits for discussion, as well as ground rules, so that the group doesn't circle around a topic endlessly. Sample ground rules are included in the resources section.

Working with one quadrant at a time, develop a list of all of the factors that deal with that quadrant. For example, starting with **Strengths**, the team will list all internal strengths of the agency, using their own drafted matrices, the feedback from employees, and the information gathered during the Environmental Scan. Some examples could be excellent support from professional organizations, many highly trained and skilled employees, and a current classification study for positions.

Continue in this fashion until the group has brainstormed a separate list for all four quadrants. The team may find that what is considered a strength may also be considered a weakness and a threat may also be an opportunity. If that happens, then the item needs to be on both lists.

The next step is to set priorities. The agency will want to decide the best method for doing this. Simply ranking the lists individually and then again after group discussion is one method. The team may come up with other equally effective methods (sticky dots on the list, etc.). Ideally, the top three or four priorities in each quadrant should be where the agency wants to direct its attention and focus its workforce planning work.

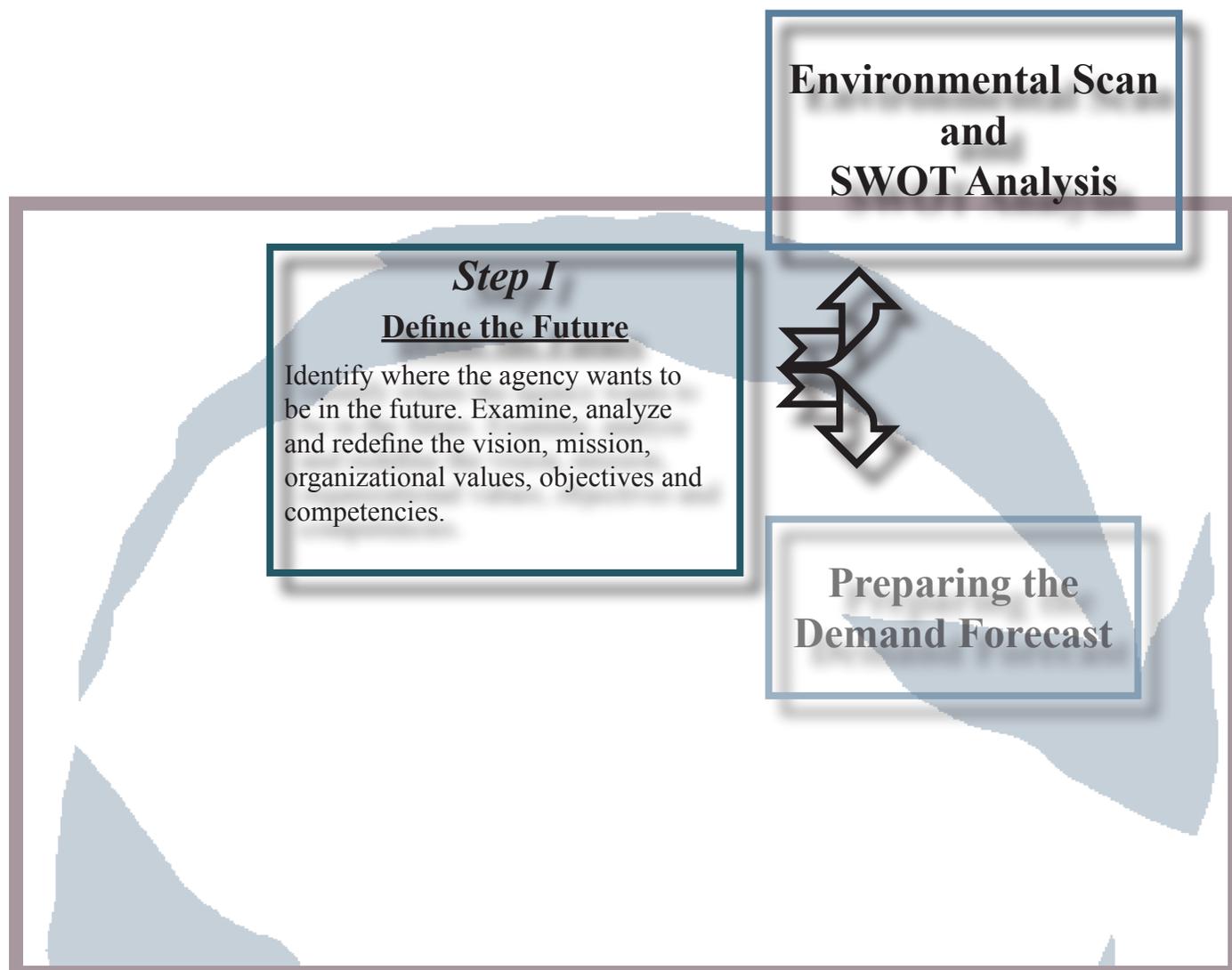
Fitting the SWOT into Workforce Planning

Figuring out how to use the SWOT Analysis in the agency's workforce planning is the final step. Turning all of the hard work into actions requires serious discussion and the answering of *at least* the following questions. Other questions may arise as the team's discussion continues.

- How can we maximize our strengths?
- What do we need to do to overcome the weaknesses?
- How can we take advantage of the opportunities?
- What do we need to do to overcome the threats?

The answers to these and other questions that arise will help form the agency's workforce and strategic plans.

Working through this process can help an agency discover employment concerns of which it may have been unaware but which need to be addressed in any long term workforce plan. This process also helps an agency solidify the direction that its workforce plan needs to take.



(From the Workforce Planning Model)

Resources

Sample SWOT Matrixes

| Local Coffee House SWOT Analysis | |
|---|---|
| Strengths (internal) | Weaknesses (internal) |
| <ul style="list-style-type: none"> • Very profitable • Strong ethical values and mission statement • Enthusiastic employees • Solid customer base • Open year round to take advantage of tourist and local resident business | <ul style="list-style-type: none"> • Employees are high school and college students who have to work around schedules • Offer only coffee and drink menu at this time • Manager/supervisor nearing retirement age |
| Opportunities (external) | Threats (external) |
| <ul style="list-style-type: none"> • Newly renovated space allows for expansion of services to include lunch and breakfast service • No other coffee shop offers coffee delivery service • Contract for coffee stands near the cruise ships has become available | <ul style="list-style-type: none"> • Gas prices increase costs of delivery of goods from down south • Anticipated increase in costs of milk, coffee, and paper products • Increased competition from newly opened tea parlor • Lack of applicants for open positions • Slow growth in high school and college age population |

| Department X SWOT Analysis | |
|--|---|
| Strengths (internal) | Weaknesses (internal) |
| <ul style="list-style-type: none"> • Experienced and dedicated workforce • Good training program for new employees • HR Service Centers developing new recruitment strategies • Leadership is committed to workforce planning • Majority of staff holds professional certifications | <ul style="list-style-type: none"> • 25% of managers and supervisors eligible to retire • No succession plan or knowledge transfer plans in place • Current technology outdated • Under represented by certain ethnic groups • Manuals need to be updated • 20% vacancy rate • Many employees have family members who are in the National Guard or reserve units |
| Opportunities (external) | Threats (external) |
| <ul style="list-style-type: none"> • RFP out for new software • Local high school and college seeking out internship opportunities • AO 237 allows alternate work week schedules and telecommuting • Local job-training social agencies have rosters of volunteers and interns | <ul style="list-style-type: none"> • New federal regulation on family medical leave • Demand for workers in this field exceeds supply • Legislature has eliminated some full time positions • Federal grants have been reduced |

| Human Resources SWOT Analysis | |
|--|---|
| Strengths (internal) | Weaknesses (internal) |
| <ul style="list-style-type: none"> • Previous strategic planning initiatives have been innovative and successful • Tools to improve employee relation functions are available to managers and supervisors • Experienced workforce | <ul style="list-style-type: none"> • Failure to communicate across functional groups in DOP, with other departments, and within teams • No revision or updating of existing personnel policies or procedures • Continuing to allow departments to drive HR practices |
| Opportunities (external) | Threats (external) |
| <ul style="list-style-type: none"> • AO 237 has created new mission and vision • RFP out for new time and attendance system • Current information on best practices for HR issues available | <ul style="list-style-type: none"> • Other departments hire our best employees away • Lack of qualified applicants for numerous vacancies • Lack of storage and office space makes work space uncomfortable • New technology will result in new skills and competencies needed to do the work |

Questions to Ask During the SWOT Analysis Meeting

- ❑ How can we maximize our strengths?

- ❑ How can we overcome the identified threats?

- ❑ How can we overcome the identified weaknesses?

- ❑ How can we take advantage of our opportunities?

Ground Rules for the SWOT Analysis Meeting

Meeting facilitators (either the agency workforce champion or a person appointed by the champion) often find it useful to post ground rules or expectations prior to the meeting and to ask that the team members agree to a certain set of norms during the meeting. The following list may need to be modified to meet the unique needs of an agency:

- **Listen to understand.** Don't interrupt and don't speak until the speaker has finished making his or her point. (The facilitator reserves the right to put time limits on how long each team member may speak on any given topic.)
- **Be prepared** by reviewing materials beforehand and completing any assignments given.
- **Respect confidentiality.**
- **Be timely** returning from breaks or lunch. Start on time and end on time.
- **Stay on task.** Stick to the agenda. (The facilitator reserves the right to bring closure to any topic and bring the discussion back to the agenda.)
- **Respect each other** and acknowledge that it is all right to disagree. No personal attacks—each person was chosen for this team because of his or her unique skills, competencies, and expertise.
- **All team members should participate.**
- **All cell phones should be turned off** and support staff should be discouraged from interrupting the meeting for any purpose, except for true emergencies.

Sample Email Survey

To: Selected representative employees

From: Agency champion or other neutral person

Subject: SWOT Analysis

Department of XYZ needs your assistance in addressing our current and future workforce needs. We are asking that you address the strengths, weaknesses, opportunities, and threats (SWOT) of our department's current workforce. Your responses to the questions below will help us formulate our workforce plan and make decisions about where our workforce priorities should be.

Your name will be kept confidential and no one will know your individual responses. All answers will be compiled into one large list for the SWOT team to use in its analysis. You may list as many or as few answers per question as you'd like.

To participate in this survey, please select "Reply" and answer the questions below. When you are finished, select "Send" to forward your answers to the department's workforce planning champion, Dr. ABC.

1. What are some of the strengths of this department related to our workforce? Strengths are nearly always internal to the department. Some examples are nearly everyone in Division PDQ holds an advanced educational degree; flex staffing allows for promotional opportunities; or employees feel appreciated for the work that they do.
2. What are some of the weaknesses of this department related to our workforce? Weaknesses are also internal to the department. Some examples are 10 out of 30 people in the front office are eligible to retire; lack of appreciation or recognition; lack of diversity in the workplace; or difficulty in finding qualified applicants.
3. What are some of the opportunities that you see for this department's workforce? Opportunities are almost always external, though some opportunities may arise through internal circumstances. Some examples are: new ALDER reporting system means learning new skills to make employees more marketable; new federal grant provides additional money for training; or company J down the street is closing, which means there will be a new supply of applicants for vacant positions.
4. What are some of the threats (usually external) that you see for this department's workforce? Some examples are federal grant was not renewed for this year, decreasing money for certain positions; another agency continues to hire away our people after we get them fully trained; or the local college does not graduate students in fields that would make them eligible to work for us.

Do you have any additional comments about the workforce challenges that may be facing Department XYZ in the next several years?

Thank you for your help.

Blank SWOT Template

| Strengths (Internal) | Weaknesses (Internal) |
|---------------------------------|------------------------------|
| | |
| Opportunities (External) | Threats (External) |
| | |

Additional Resources

Websites:

<http://www.quickmba.com/strategy/swot/>

http://www.marketingteacher.com/Lessons/lesson_swot.htm

<http://erc.msh.org/quality/ittools/itswot.cfm>

http://www.quintcareers.com/SWOT_Analysis.html

<http://www.naspe.net/>

<http://www.ipma-hr.org/>

Publications:

Cornerstones for Kids: Workforce Planning Toolkit (2007). CPS Human Resources Services

Workforce Planning Desk Reference and Guide (2008). Employee Planning and Information Center, Division of Personnel and Labor Relations

Workforce Planning Resource Guide for Public Sector Human Resource Professionals (2002). International Personnel Management Association

Division of Personnel and Labor Relations, State of Alaska publications:

Workforce Planning—Quick Reference for Managers and Supervisors

Knowledge Transfer Tools

Skill Gap Analysis Power Point

Succession Planning For State Agencies

HR Update (published monthly)

State of Alaska Workforce Profile (published annually)

Division of Personnel & Labor Relations Service Centers:

Division of Personnel and Labor Relations management services consultants are ready to assist you with workforce planning efforts. Contact information for the HR Service Centers is below:

Resource Group Service Center, serving the Departments of Fish and Game, Natural Resources, and Environmental Conservation can be reached at 465-2463.

Public Protection Service Center, serving the Departments of Corrections, Public Safety, and Military and Veterans' Affairs can be reached at 334-2606.

General Agencies Service Center, serving the Departments of Law, Administration, Commerce Community and Economic Development, Education and Early Development, Revenue and Labor and Workforce Development can be reached at 465-2498.

Transportation and Public Facilities Service Center can be reached at 465-6956.

Health and Social Services Service Center can be reached at 465-2308.

State of Alaska
Department of Administration
Division of Personnel & Labor Relations

Annette Kreitzer
Commissioner

Nicki Neal
Division Director

Contributors:
Carol McLeod and Frank Hurt

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DOPLR Workforce Planning Publications Editor
PO Box 110201
Juneau, AK 99811-0201

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