



'Food for Thought'

Strategic Workforce Planning

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9 key words of SWP

An easy way to explain what SWP is, and how it is done is through the 9 key words. They appear in a number of the tools. Remember, SWP is about closing the gap between current and future, as you have a current supply and demand, and a future supply and demand. Current is not static!

Strategic Workforce Planning is about **external** and **internal, supply** and **demand** in terms of **characteristics, availability** and **productivity** relative to **current** and **future** states.

Characteristics – are enablers for execution, and reference technical skill and knowledge, aptitude, behaviours

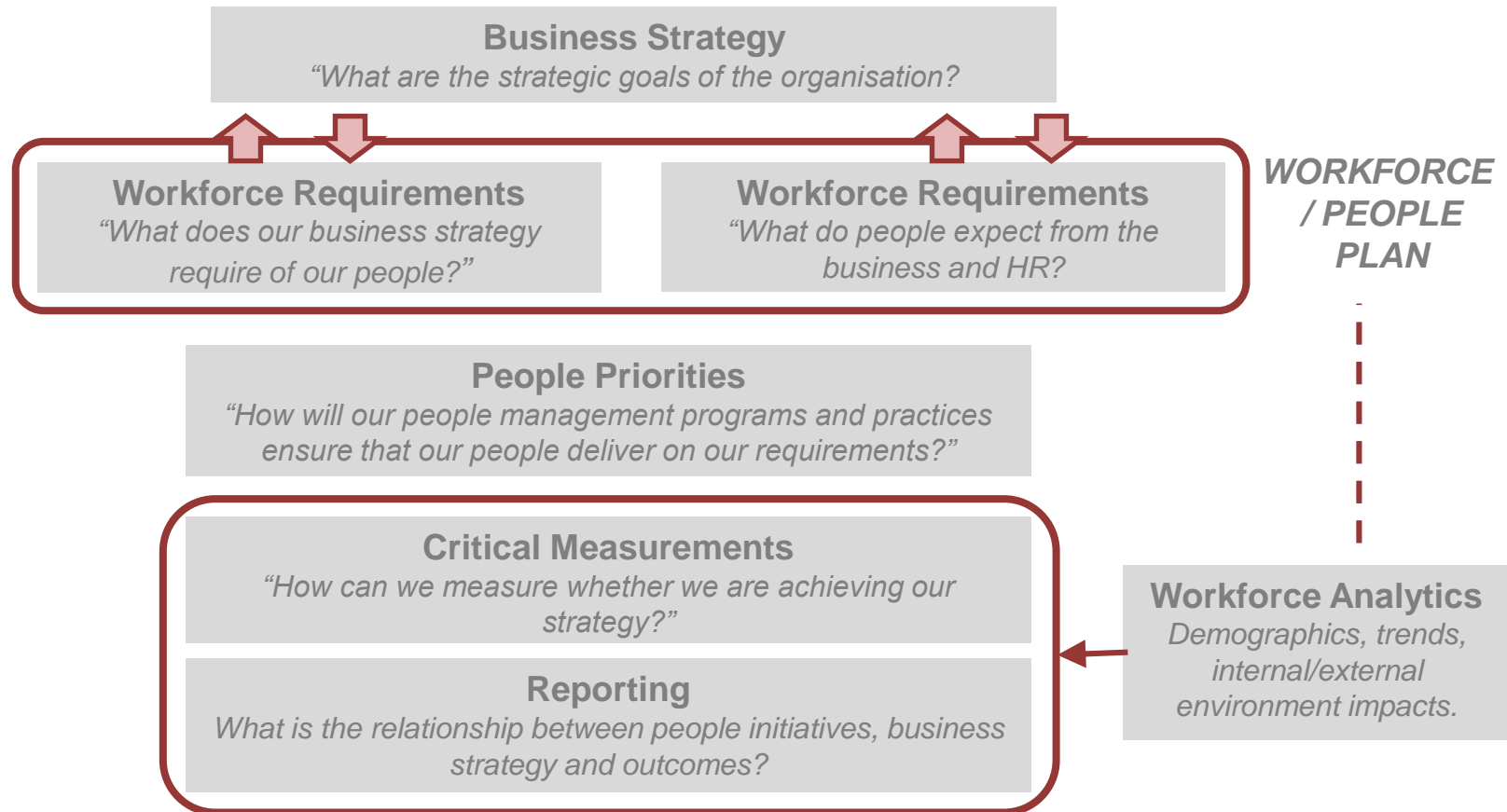
Availability – refers to the when and where of the workforce, as well as the relative supply

Productivity – the outputs of the work they do, the value of the work

‘9 key words’ by Tess Walton



Strategic Workforce Planning is a 'verb'! It's an approach that enables the organisation to define the workforce required to deliver on the organisation's strategy. As represented below, the Workforce/People Plan translates the business strategy into the people requirements, which then informs the People Strategy and priorities. This approach creates a line of sight between the business strategy and people priorities.



Workforce planning means different things to different organisations and people. The below represents 3 different levels of Workforce Planning. These levels can exist simultaneously in an organisation and are not mutually exclusive nor dependent on one another. However day-to-day decision making at the operational and tactical level will be better informed if there is a strategic workforce plan defining the future workforce requirements.

Types of Workforce Planning

Strategic Workforce Planning (Leading)

- 3 – 5 year timeframe
- Aligns with Business Strategy
- Workforce leveraged as competitive Advantage
- Workforce Segmentation: identification of critical job families
- Exploration of different futures (scenarios) to design a targeted future

Operational Workforce Planning (Managing)

- 12-18/24 month timeframe
- Aligns to Operational Plan
- Annual Staff Forecasts informing resourcing plan
- Some external supply information

Tactical Workforce Planning (Running)

- 3,6,12 month timeframe
- Resourcing/Scheduling
- Internal data focus
- Headcount data analysis – budgets

Workforce Analytics

- Incorporates external content for relativity and holistic approach
- Interprets trends and presents insight for business decision making
- Forecasts – 1, 2,3 years

HR Reporting

- Generic measures for whole of organisation
- Quantitative Current State
- Understanding internal past and present trends

Though there is no one-size fits all approach to Workforce Planning, there are some fundamental components to workforce planning. The below is a generic representation of a Strategic Workforce Planning framework and should be modified to apply language that befits your environment and activities that meets your organisations' workforce planning requirements.



A Workforce Strategy answers 5 key questions...

A key element of successfully engaging the business, is not using jargon. Though the framework on the preceding page helps from a process perspective, the below represents key questions that typically the business would like answers to – this is a good way to position how you approach workforce planning and its benefits. You can do the first 3 questions in any order, but don't do question 4 till you've answered the first 3!

1. Where does our workforce need to be?
2. What is influencing our workforce?
3. Where are we now? (where are we heading?)
4. What gaps do we have?
5. How and when are we going to close those gaps?

'5 key questions' by Tess Walton



Workforce Planning has never been more important. However, the biggest risk to Workforce Planning is re-prioritising due to the challenges that it poses. The challenges often act as barriers - workforce planning tools and techniques address these challenges.

Workforce planning is increasingly important:

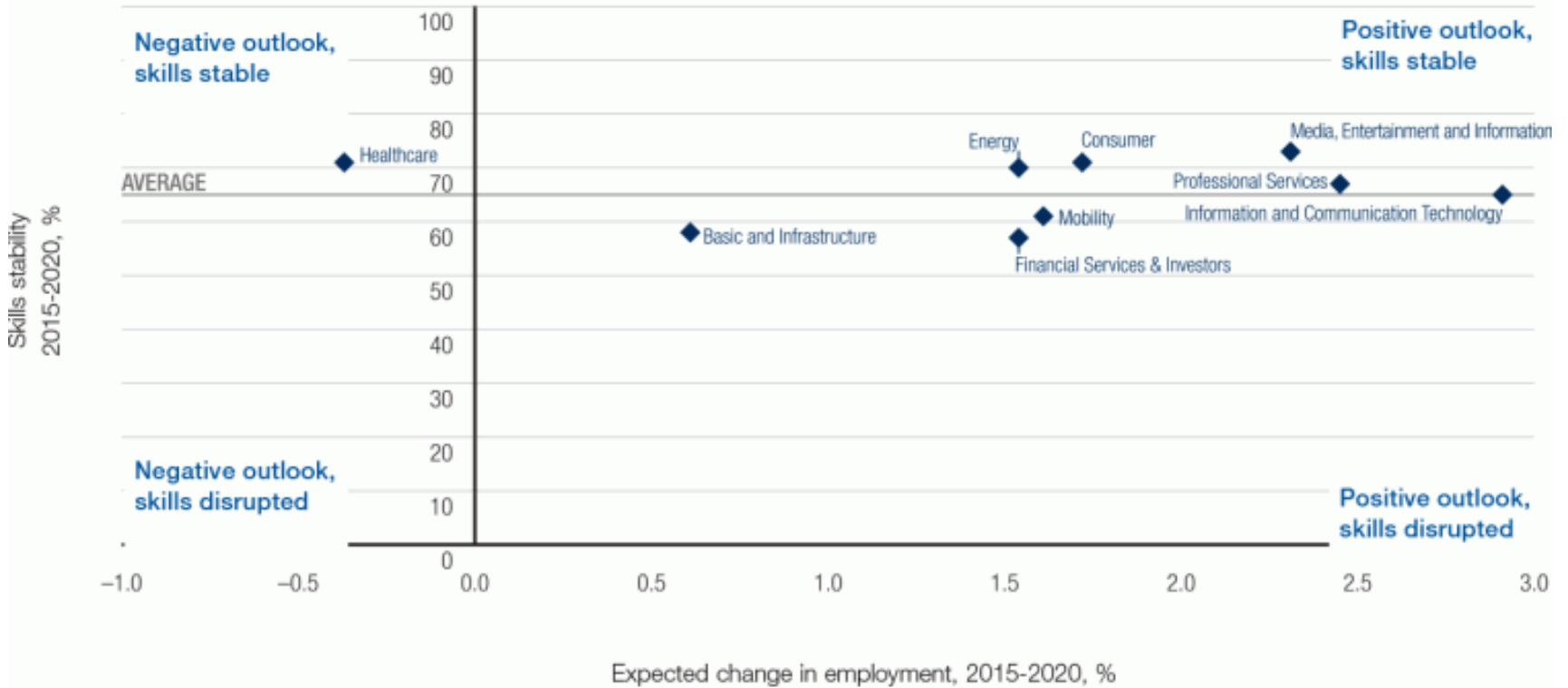
- Market opportunities close at a much faster rate
- Skills commoditise and become obsolete more quickly
- High quality talent is increasingly more difficult/costly to acquire
- Workforces are becoming increasingly more global
- Talent risk (the risk of not getting the people with the right skills at the right time at the right price) is becoming a more significant business issue

Workforce planning is challenging because of:

- ambiguity around what Workforce Planning is and what it can do for an organisation
- paralysis due to the lack of clarity about the future business environment
- limited understanding of the relationship between strategy and talent
- Difficulties of determining the true “cost” of talent
- Short term business mindset

The Future of Jobs Survey, World Economic Forum, is a good source of information about industry and country Future of Work. Where does your industry sit in terms of skill disruption and expected employment changes?

Figure 11: Employment outlook and skills stability, by industry



Source: Future of Jobs Survey, World Economic Forum.



The Future of Jobs Survey, World Economic Forum, found only 45% of the Australian leaders surveyed considered workforce planning a leadership priority. The lowest of all countries surveyed. SO there is quite a bit of educating to do.

% of leaders that believe workforce planning is a leadership priority

Industry Profile

Basic & Infrastructure	53%
Prof Services	61%
Fin Services and Investors	67%
Media, Ent and Info	69%
Consumer	70%
Mobility	71%
ICT	73%
Healthcare	80%
Energy	80%

Countries

Australia	45%
Sth Africa	60%
China	61%
South East Asia	64%
US	74%
UK	76%
India	76%
Japan	86%



Source: Future of Jobs Survey: World Economic Survey

Showing 'Why before How' is a critical success factor. By using various Workforce Planning tools and techniques you can prepare a stimulus paper that engages leadership and helps them to understand the risks and issues at hand.

- **Empower them as decision makers for the future.** “Managers ask what *should* the future be – Leaders ask what *could* the future be”.
- **Develop understanding of why something needs to be done.** “In the context of our strategy we need to determine the requirements of our future workforce and assess the alignment of our current workforce to this future, so we can develop plans that build the workforce we need.”
- **Develop a burning platform, based on internal data.** “The current dynamics of who is joining and leaving Marketing are building our future workforce. Is it the right workforce?”
- **Inform and stimulate them of the workforce changes on the horizon.** “How do our current dynamics align with the environmental trends influencing our customers and our workforce?”
- **Develop a burning platform, bringing the internal and external data together.** “The pace of change in societal, economic and technology see critical work themes emerging and influencing our workforce. Which have the greatest impact on our Auditors and what do these mean to Auditing?”
- **Recommend actions to take.** “What do we need to do to answer these critical questions?”

*And lastly, no business strategy can be executed without a workforce. So as pictured below there is a real risk that an organisation without a workforce strategy can be building a workforce misaligned to the business strategy's needs. In other words, **a business strategy without a workforce strategy is just wishful thinking.***



There is so much to share about Strategic Workforce Planning. This deck only gives you a small insight into the possibilities of what it involves and what it can do for your organisation. If you would like to know more, I would be delighted to discuss further +61 (0)413 481 696. Tess