

17 workforce planning facts and myths: You need to know always

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The world of Human Resources Management is changing. In the previous articles we published a lot about [workforce planning](#). The articles include how to carry out workforce planning projects, the best practices, and the benefits of workforce planning. In this article, we are going to discuss some of the workforce planning facts and myths that HR professionals and business leaders need to know.

Workforce planning is a term used to describe the *planning* process undertaken to ensure that an organisation has the right people with the right skills at the right time performing the right tasks. It is simply a methodical process that documents the directions in which an organisation is heading and provides managers with a tool for making human resource decisions now and into the future.

Understanding *workforce planning* facts and myths can seriously take the stress out of the whole process, allowing organisations to properly align their talent strategy with their business goals and needs.

Several myths surround *workforce planning*. Below are some of the facts and misconceptions that managers and businesses need to understand and hold as true about *workforce planning*.

1. It's new

Many HR professions and business leaders think that *Workforce planning* is a new thing in the modern era. The fact is, it's very old. Forms of *workforce planning* have been used by the military as far back as the Napoleonic era. Henry Ford applied *workforce planning* to turn over the company. In the '50s, an excess of 80% of US fortune 500 companies had [workforce planning tools](#). Now it is less than 40%.

2. It is time-consuming

Ask managers why their businesses still don't use workforce planning concepts and tools, and many of them say that they take too long to implement a solution. However, this is not the case.

If anything, a *workforce planning* system can help your managers save time. A study shows that once the initial setup and processes are complete, the business's managers can save 7-12 hours every week. This free time can be used to perform critical tasks.

3. Workforce planning can be fully done and implemented using a spreadsheet

A spreadsheet can help you accomplish many tasks. Managing your workforce, however, is not one of them. Using a spreadsheet for scheduling, time management, and forecasting increases your chances of committing costly errors and it is a lengthy and inefficient process. *Workforce planning*, on the other hand, advocates the use of advanced software that automates the entire process.

4. A workforce planning solution can only be used for scheduling

Scheduling is just one of the many things that a workforce planning solution can do. A well-rounded solution can help solve the headaches associated with attendance, task management, and [forecast planning](#). A practical approach will also give you the freedom to manage your workforce from any part of the world.

5. It's only for big companies

While large companies have been swift to see the benefits of a *workforce planning system*, small to medium-sized businesses are also in line for great rewards. Start-ups and dynamic businesses are using better *workforce planning* to respond to their business needs in real-time ensuring they keep the edge over their competition.

6. It's too hard to implement

Legacy systems may have been difficult to implement and maintain however cloud-based *workforce planning systems* are always up to date, can be accessed from anywhere, and are super easy to use and maintain.

7. It won't generate a return on investment

The majority of businesses start seeing a return within the first 3 months of using a *workforce planning system*. It improves productivity and efficiency. This means it saves on cost while at the same time helping you generate more revenue. The ROI is always healthy when it comes to *workforce planning*.

We believe in putting the right people, with the right skills, in the right place at the right time. This, for us, is what workforce planning is. We help match skills to needs, improve customer satisfaction, lower costs, improve morale, and reduce staff attrition.

8. It is the same as organisational design

A *strategic workforce plan* includes a high-level 'to-be' organization for a specific point in the future and a plan on how to transition to that. It combines the roles structure, the positions scale, the work to be done, and the competencies required, as well as highlighting the main changes from the existing organization.

But extrapolating into the future is fundamentally different from organisation redesign. While the

approach is similar, *strategic workforce planning* is position rather than people-based, and it works to a wider time-frame, with a longer transition plan that may have intermediate stages.

Organisation design should focus on constraints, risks, and anomalies in the current talent pool in refining or redesigning the operating model. It is a full FTE design, where all the numbers add up.

9. It is only quantitative

Strategic workforce planning is both a qualitative and a quantitative exercise. Different approaches are used. Each approach will depend on the type of analysis that needs to be done.

10. Workforce planning isn't scalable

Overall benefits can be higher in large teams that haven't been optimized due to the pure scale of staff.

While this is often true, the practices and thought process can still be applied to smaller teams, and in many cases the lower staff number and lower sporadic demand necessitate smarter *workforce planning practices*.

11. We have busy times/ peak periods every year that are very challenging

Peaks and troughs in demand exist in almost every industry and business. They exist in cycles spanning a year, month, week, day, hour, and to smaller interval levels dependent on the organization.

Enabled effective *Workforce Planning* is all about putting the right people in the right place at the right time. Where demand can't be met at 'peak periods' analytics delving into why [labor supply](#) isn't meeting demand should be undertaken.

Peak periods don't exist in a workforce planning sense; only periods where demand is higher and lower than a given average for a period. Unrestricted *Workforce Planning* allows adequate supply to demand, resulting in a seamless experience for customers.

12. Continuous increases to the skill sets of our staff will mean less and less staff required

Increasing staff skillsets/ capability is important from a career path sense and for the growth of an organization. Positive impacts from upskilling and/ or cross-skilling your workforce can be found up to a point.

This threshold can vary organization to organisation; beyond it, staff may struggle to be effective moving from task to task, error rates can increase/quality reduces and morale can be impacted.

13. The process has no impact on staffing outcomes

The organisational process always has an impact on *staffing outcomes*. Where the process is not efficient, more staff will be required to complete the process. The process can be impacted due to many factors including technology, regulatory factors, product or service, and legislation.

When these items change, impacts on staffing will also be evident.

14. Culture doesn't have an impact on workforce planning and management effectiveness

Culture can have either a positive or negative impact on the influence and effectiveness of *workforce planning* within an organisation.

As an example, one organisation may see the workforce planning team as an interference; another may see them as critical to meeting business objectives and outcomes. It's not difficult to understand which *workforce planning* team would be more effective and be enabled to assist with providing benefit to the organisation from an executive and strategic level, right through to tactical.

15. Workforce planning should be able to meet customer demand regardless of finance budget

This is a concerning but common myth and can often find an organisation short of staff when they are most needed.

Besides other assumptions built into industry-specific *workforce planning*; overarching expectations are usually set for thresholds in the areas of quality, timeliness, and customer satisfaction, for example.

These expectations have impacts on an organisation's workforce plan; as such if the budget doesn't allow for assumptions in line with these thresholds then the plan will be inaccurate – leading to performance outside of expectations.

16. Once optimised, Workforce Planning is a matter of set and forget

The modern organisation is in a constant state of change, as a result of the environment they operate within. *Workforce planning* is also a constant cycle of planning, monitoring, analysing, and improving.

As a result *workforce planning teams* shouldn't be seen as something that is established and then just set and forget. Workforce planning teams should be always looking for improvements that can be made to organisations.

An optimisation is something that needs to constantly be reassessed when the business environment

changes; so it's not a destination, more a constant state.

17. It is expensive

Most HR professionals believe that *workforce planning* is expensive and requires huge budgets. Workforce planning is not expensive. With the advancement of technology and several workforce management consulting firms, an organisation can carry out workforce planning even with a small budget.

In conclusion, the key is for organisations to be closely involved in their strategic workforce planning. When this is outsourced plans decay over time and organisations struggle to refresh what has been done. There is more value in focusing on what can be delivered and repeated in-house, even if that is quite simple initially (e.g. focus more on scaling and delivering change through training). Building in-house capability in strategic workforce planning will lead to a more sophisticated approach and increasing value over time.

Success in *strategic workforce planning*, as with other change initiatives, comes from leadership, stakeholder management, governance, approach, process, and data. The right tools to make this easier, more agile, and repeatable also make a big difference.

Strategic workforce planning isn't a myth, it's a must-do – with the potential to be magic.

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