

How workforce analysis can help your organisation to win

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In today's talent-based economy, the workforce itself is arguably the most important tangible asset of most organizations. Despite its importance, this asset is often not carefully planned, measured or optimized. This means that many organizations are not sufficiently aware of the current or future workforce gaps that will limit execution of business strategy.

Workforce analysis is a term used to describe the *planning or analysis 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.

A talented and aligned workforce is crucial for bringing strategy to life and ensuring an organisation delivers on its objectives. Great *workforce analysis* should balance both *workforce demand and supply*. There is a number of techniques used to forecast both *workforce demand and supply* but the overall goal is to make sure you don't have *workforce surpluses or shortages*.

Workforce demand forecasting is the process of estimating the future quantity and quality of *manpower requirement*. In *demand forecasting*, one should consider product demand, economics, technology, financial resources, absenteeism, turnover, organisational growth and philosophy.

Knowledge of the present situation on manpower requirement is essential if a satisfactory forecast is to be made. After knowledge of present situation, *future forecasts* can be made from long term corporate plan which are translated into activity levels for each function and department.

Once an organization has forecast its future requirements for employees, it then goes on to determine how it can fulfil its requirements. *Workforce supply* forecasting involves determining if there are sufficient numbers and types of employees eligible for the positions in question. It scans the internal and external environment for the best-fit candidate for the positions in question.

Gap analysis is the process of comparing your current *workforce supply* to your *workforce demand* and identifying gaps (deficits or surpluses). The process of identifying the differences between *supply and demand* establishes the roadmap for your organisation's Workforce Action Plan. One should prioritise those gaps that are critical to the delivery of your organisation's future goals. The focus should be on these gaps at least initially.

The benefits of Workforce Analysis

1. Effectively anticipate and plan for change

With *Workforce Analysis*, you can establish key metric benchmarks that will inform executives about workforce issues and equip them with tools to identify talent risk before it impacts *business objectives*.

For example, are labour costs expected to grow over time as the business grows? Are there employees that are planning to retire soon, and how will that affect the operations of the business? What's the average attrition rate by department and how can you put a process in place to maintain levels for workflow?

This information will help you improve business planning and financial forecasts by quantifying talent requirements to meet short and long-term organisational goals.

1. It decrease hiring costs

Getting a detailed overview of the *headcount* your organisation needs and the productivity levels required for the business to run and grow will ensure that you're making the most of the talent you have.

This will decrease recruitment costs and help the business operations run more effectively, which will have positive effects throughout the business (employee morale, productivity, revenue, etc).

1. Improve recruitment processes

Using analytics, *Workforce Analysis* can help you outline the characteristics and traits of the high performers in each department and inform your hiring criteria to find candidates that are most likely to suit the business goals and culture.

This will improve your employee retention rate, interview-to-hire rate, save time in your recruitment process and decrease recruitment costs.

1. Align HR with business strategy

Align your business's HR programs and policies with the business strategy for *Strategic Workforce Planning*, such as:

- data protection
- employee assistance
- employee benefits
- wellness programmes
- career development programmes
- learning and development

This will ensure that those goals are supported in the best way possible and strengthen the organisation's culture. As a result, employee retention rate will be better, which will positively affect the company's growth.

1. Drive allocation of talent investments

Workforce Analysis will help you determine which groups of employees deliver the highest ROI for the business and warrant greater investment in their *training and development*. By the same token, it'll outline what areas need extra resources to reach its full potential and contribute more to the business.

Furthermore, this will inform what roles are important for the *growth of the business*, so you can implement steps to protect that and *minimise risk*.

1. Identify gaps in your talent chain

If your *workforce strategy and business goals* are aligned, you can easily identify what hires you will need to make in the future when the company reaches a critical point for expansion.

You can also easily identify any existing gaps your *workforce* could benefit from.

1. Implement informed retention tactics

Without proper tools, HR and managers can misuse raises, bonuses and/or promotions put in place to prevent resignations. *Workforce Analysis* will help you leverage *predictive analytics* to correctly identify top performers and people in key roles, who are at risk of leaving. From here, you can implement a *retention strategy to minimise risk* and move forward.

A number of organisations are now starting to realise the value of *workforce analysis*. The billionaire Bill Gates once said, “**Bringing together the right information with the right people will dramatically improve a company’s ability to develop and act on strategic business opportunities**”. It is time for organisations to utilise the benefits of workforce analysis.

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