

Workforce planning best practice guidelines

Author: Benjamin Sombi . January 2020

Let us face it, the world is transforming every day before our very eyes. Businesses are being disrupted with new coming models. We have a new generation of workers that is different from the old generation. All this coupled with changing economic, technology and social attributes of society affect how businesses operate. The need for the right people, with the right skills, in the right roles, at the right time and at the right cost rings true now more than ever. But how do you ensure you tick all these rights? What are the best practices that business leaders should follow?

With concerns over skills shortages, and increasing competition to attract ‘talent’ to our organisations, considered workforce planning is an imperative that will keep businesses ahead of the curve.

Workforce planning is a term used to describe the *planning* process undertaken to ensure that an organization 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 organization is heading and provides managers with a tool for making human resource decisions now and into the future.

Applying workforce planning best practices can seriously take the stress out of the whole process, allowing organisations to properly align their talent strategy with their business goals and needs.

Workforce planning allows organisations to be proactive in terms of business and market events. It allows the leaders to have all the intelligent insights they need. Some of the intelligence include; reducing labour costs in favour of workforce deployment and flexibility, responding to the needs of their customer base, identifying skills gaps and areas of succession risk, relevant strategies for talent management and people development, targeting specific and identified inefficiencies, employee retention initiatives, improving the quality of outputs, improving work-life balance, recruitment and training responses to changes in the education system.

There are certain best practices that every organisation should follow if they want to succeed in workforce planning. The practices are explained below.

Understand the organisation and the environment

Business or Human Resources leaders need to understand the internal and external factors that affect their organisation. The internal factors include the business operations model they use within the organisation. The business operating model is the combination of roles, skills, structures, processes, assets and technologies that enable any organisation to provide its service or product promises.

Business processes, information systems, location & buildings, human capital, and suppliers & partners are the categories that need to be understood. A deep understanding of each of these categories in terms of their contribution and needs is crucial in designing a fit-for-purpose workforce planning process.

Still, under internal factors, leaders need to understand clearly the organisation's strategy for the future. Alongside the numerical impact of strategic plans, leaders should not neglect changes to the skills and competencies of the workforce and implications for culture and leadership.

A PESTEL analysis can help in providing a clear understanding of the external factors impacting the leaders' organisations. It provides a big picture in which the organisation operates. It takes into consideration six factors – political, economic, sociological, technological, environmental and legal.

HR leaders need to understand labour markets. This involves understanding what the people who are likely to join your organisation are currently working on and where are they. This will include considering key questions about particular workforce groups, especially for critical roles and those where you feel you may have difficulty recruiting.

Analyse your current and potential workforce.

After this analysis, the leaders need to segment their employees. Segmenting the employees will allow the leaders to identify the knowledge, skills, abilities and other factors required for current and future workforce roles.

Employees can be segmented by grouping employees into job families, functions, roles and competencies within the organisation or they can be segmented by value or type of work performed certain employees to focus on the most critical roles.

After identifying the groups, the leaders need to identify the important metrics to analyse their workforce. Collecting and analysing workforce data can provide organisations with the information they need to increase or develop capability in these areas. Workforce analytics is not only about understanding individual measures but also how factors operate together. For example, how does labour turnover move with your changing age profile, gender-mix or use of part-time workers?

Use both data and qualitative methods to determine future workforce needs

HR leaders need to examine the patterns that occur at their businesses, paying close attention to times when their business succeeded and what their staffing levels were like at that time. All five rights to workforce planning should be examined. Leaders need to answer critical questions on skills, size, cost, location and shape. There are many methods that can be used to estimate workforce requirements and you should choose a few.

Identify gaps

Every workforce planning project should help the organisation identify the gaps that are within the

organisation. The gaps can come in different forms. There may be gaps where the likely availability of people is lower than the needs, so more staff need to be brought in or developed. There are also negative gaps where there are more people in certain groups than needed, so you may need to consider retrenchment or redeployment, and lastly gaps in skills but not in numbers. Training or re-skilling might be able to address these kinds of gaps, but you may also need to shift the kind of workforce you are employing over time.

Keep going and evaluate

Workforce planning needs to be continuous if you want it to succeed. Most leaders fail at this because they do the whole process once and forget about it after making initial changes.

Your workforce will change over time regardless of what you do. People will leave. People will retire. People will be promoted. At the same time, your business will change as well.

Monitoring and evaluation, to ensure actions are being taken and gauging if those actions are having the desired effect. Leaders need to ask themselves, have we done what we said we would do? Are the planned actions still relevant in the changing business and labour market context? What has been happening to the size, shape, and composition of the workforce? How is this connecting to regular reporting of workforce data? Is checking (automated or manual) built into data capture to ensure accuracy and data quality? What has been the impact of our investment in specific interventions, for example, workforce development?

In a nutshell, when carrying out a workforce planning project, you need to make sure you work as a team with your managers and staff members, understand both internal and external factor that affect the business, pay close attention to historical data, track metrics, get the leadership buy-in, and keep the process going even after you have performed the initial set up.

Benjamin Sombi is a Data Scientist, Entrepreneur, & Business Analytics Manager at Industrial Psychology Consultants (Pvt) Ltd a management and human resources consulting firm.

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