



Workforce Planning for **Survival** and **Recovery**

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Workforce Planning Introduction

Stocks are down. Unemployment is up. The effects of the recession are being felt everywhere.

But the news isn't all bad.

Sure, when the economy hits a rough patch, your business is under intense short-term pressure to stay in the black. But a downturn like this also provides a unique opportunity to improve the long-term competitiveness of your company. In fact, this recession is an ideal time to refocus, retool, and build for the future.

So how do you take advantage of this opportunity? By being prepared – not surprised. A sound workforce plan will help ensure your organization's survival during these chaotic economic times and through the eventual recovery.



Do You Need Workforce Planning Now?

No recession lasts forever, and when the economy turns around, will your company be prepared?

Ask yourself:

- Does my company have an accurate forecast of our talent needs and talent supply for the next several years?
- Are our existing HR programs and activities designed to align talent supply and demand?
- Do we have an actionable plan for “exploding out of the box” once the economy begins to recover?

If you answered “No” to any of these questions, this guide will help you:

- Understand why workforce planning is important.
- Learn more about the process and goals of workforce planning.
- Design a flexible, comprehensive workforce plan that will put you ahead of the curve when the upturn hits.





What is Workforce Planning?

Workforce planning is a systematic approach to anticipating your human capital needs and determining what actions you need to take – starting now – to meet those needs. The multistep process involves:

1. Analyzing your current workforce.
2. Envisioning the operating environment that will most likely exist in the future.
3. Identifying the competencies that will move your organization forward to overcome challenges, seize opportunities, and thrive in the new world of work.
4. Establishing the gap between “what is” and “what needs to be.”
5. Developing strategies and then implementing tactics for building this workforce, so your organization will:
 - Have the “people capabilities” required to meet your business goals.
 - Be able to build and sustain a competitive advantage over other firms.





Goals of Workforce Planning

Not surprisingly, your organization's goals for workforce planning will be as unique as the products or services you provide. When defining your goals, evaluate your organization's capability to:

- Rapidly reduce labor costs, without lowering productivity.
- Identify and train existing leaders and managers for future responsibilities.
- Quickly fill openings in key positions with high performers.
- Maintain a flexible contingent workforce.
- Proactively shift talent internally, to maximize your return on human capital.
- Retain top talent.
- Effectively manage your talent pipeline to handle both surpluses and shortages.
- Increase the overall productivity of your workforce.

The goals of your workforce plan should address any of the above areas in which your company is not currently proficient.





Workforce Planning: A Four-Step Model

In broad terms, the workforce planning process is designed to forecast your talent needs as well as your talent supply, and then outline the actions needed to align the two. While your organization may want to alter this model to suit its needs, workforce planning generally includes these four steps:

Step 1: Supply Analysis

Supply Analysis focuses on identifying organizational competencies, analyzing staff demographics, and identifying employment trends.

Identify the organizational competencies of your current workforce.

What does this mean?

According to HHS.gov, “Competencies are a set of behaviors that encompass skills, knowledge, abilities, and personal attributes that, taken together, are critical to successful work accomplishment.” You can identify your organization’s competencies as a whole, as a department or on an individual level. “Competencies focus on the attributes that separate the high performers from the rest of the workforce. Information can be gathered in a variety of ways, including employee questionnaires, focus groups, and interviews with managers and employees.”





Analyze staff demographics.

What does this mean?

Identifying staff demographics is like taking a snapshot of your current workforce. Outline elements such as occupations, grade levels, organizational structure, race/national origin, gender, age, length of service, retirement eligibility, and other similar information to help you uncover a baseline. You can use this baseline to uncover valuable information such as when people will retire, if you need to increase diversity at your organization, the average tenure of an employee, and turnover rates.

Identify employment trends.

What does this mean?

Take a look at your past attrition statistics, such as resignations, retirements, terminations, internal transfers, and promotions over the past five or so years. By looking back, you'll be able to better predict future rates.



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Step 2: Demand Analysis

The goal of demand analysis is to forecast the competencies that will be required by your future workforce, so that you will be better prepared for hiring, workforce development, and other future staffing issues.

Demand analysis consists of evaluating the work that will be performed in the future and how that work will be performed. You must remember to take into account both internal and external factors to try to predict how the nature of your work will change. Consider factors such as:

- Business mission
- Strategy and goals
- Legislation
- Economic conditions
- Technological advances
- Market competition

One effective way to systematically evaluate the interplay of multiple variables is through “scenario planning.” Scenario planning involves going through a list of “what ifs” with your team to help consider possible responses or action steps to prepare for such situations.





Step 3: Gap Analysis

As the name implies, a gap analysis compares your workforce of today to what you will need in the future. While you will obviously need to make a plan to address skill shortages, your workforce plan must also address skill surpluses. After all, employees whose skills will be unnecessary within the next several years are of limited long-term value to your organization. Your gap analysis helps pinpoint who is needed and who is at risk, so that you can proactively develop HR programs that keep your workforce optimized.



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Step 4: Solution Analysis

This analysis involves developing a game plan for addressing competency gaps and surpluses which were identified in the gap analysis.

Specifically, you will identify ways to build skills that are in short supply, while reducing those that are greater than your projected needs. A variety of targeted recruitment, churning, redeployment, development, and retention activities can be employed to achieve these ends.

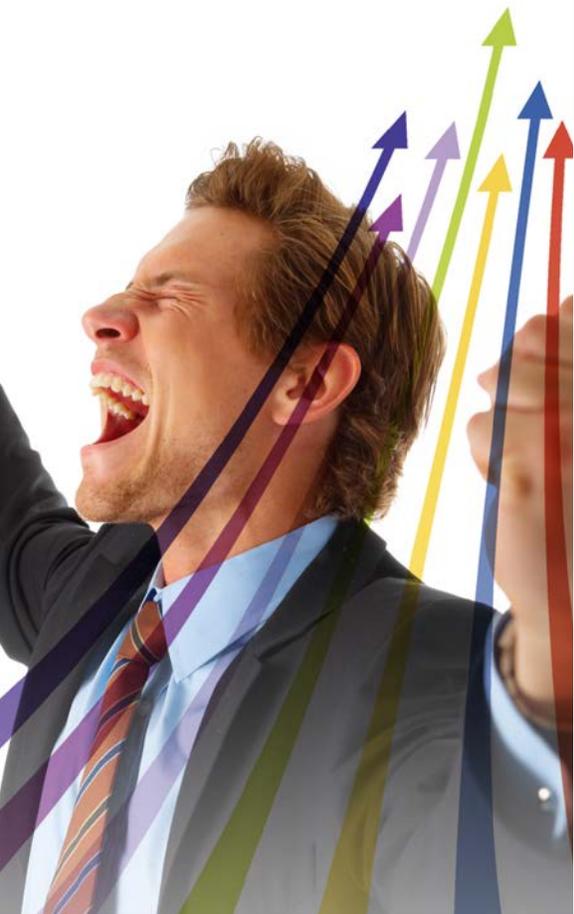
Your solution analysis should focus on optimizing your current workforce. To achieve this end, consider alternatives to traditional “permanent” employees such as blended staffing. Some examples of blended staffing include:

- Outsourcing
- Offshoring
- Virtual workers
- Telecommuting
- Part-time staff
- Job sharing
- Temporary or contract employees

Blended staffing enables your firm to:

- Maintain a core group of employees who possess mission-critical skills, while assigning non-critical activities to contingent staff.
- Increase flexibility. Expand and contract your workforce as needed.
- Stay lean. Better manage and reduce costs by paying for labor only when you need it.





Tips for Success

There are several factors that contribute to the success of workforce planning:

- 1.** Make sure your upper management team is committed and ready to lead. Since workforce planning involves so many layers of the company, upper management must all buy into the process and strategic objectives that are derived from workforce planning.
- 2.** Allow for adjustments and changes. Since you cannot predict the future with 100% certainty, realize that there will be bumps along the way. Managers and project leaders should build an assessment process into any workforce transition plan they develop. This way you'll be better equipped to deal with unforeseen issues such as congressional changes or economic factors that are beyond your control.
- 3.** Develop a timeline. Some action items that result out of workforce planning will be short term or long term in nature. Outline when specific strategies will be enacted.
- 4.** Take other HR processes into account. A thorough workforce analysis should consider other factors such as succession planning, employee development, career development, and organization development. Each of these items all have bearing on identifying supply and future demand.
- 5.** Involve your staffing partner. Since workforce planning involves supplementing full-time staff with temporary, contract or other employee support, it makes sense to work with a staffing partner who can provide these services to you. In fact, PrideStaff can help you design, plan, and execute a successful workforce strategy for your organization. Contact us today to set up a meeting!





Final Thoughts

Workforce planning is not an exact science. Projections are not predictions, and even your best predictions will not be precise.

But during times of economic turmoil, almost any forecasting and planning will produce better results than merely reacting to unforeseen events without a plan.

Your workforce plan is not a once-and-done project. As your organization grows and changes, so should your workforce plan. So review it often, revising and evaluating it for effectiveness.

A carefully designed and executed workforce plan can transform your staffing function from a reactive, “vacancy-filling” role to one that continually aligns your organization’s human capital with its strategic goals. It will improve the way you utilize your employees, but more importantly, it will improve your company’s ability to respond swiftly and intelligently to changing conditions.

Bottom line, it’s better to be prepared than surprised.



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