



## Profiles Advantage

Partner Newsletter for March 2015

## Strategic Workforce Planning in 6 Steps

**Strategic workforce planning** is a process that ensures that your business has the right people in the right jobs at the right time to achieve your expected results. This discipline helps organizations understand their current state, forecast talent gaps, and take the necessary steps to close those gaps. It is a core business process that is often handled by HR, but it is so important to the success of an organization that its leaders should approach strategic workforce planning proactively and take ownership of it.

We've all heard the saying that "failing to plan is planning to fail." The traditional strategic planning process often focuses heavily on large capital expenditures, technology, and marketing investments. But that traditional process focuses too little on the organization and the human resources necessary for sound execution.

It is almost as if the business takes for granted that it already has people with the necessary capabilities. The truth is that it can take several months, if not years, to get the right people into the right jobs, which can seriously hinder the execution of even the most well-thought out strategy.

### The Strategic Workforce Planning Process

We polled our experts and asked them to define a simple, straightforward strategic workforce management process. They outlined the following six steps:

- Establish where your business is going
- Understand where the labor market is going
- Understand your future talent demands
- Assess your current talent inventory
- Identify your talent gaps and strategies to close them
- Implement your strategies

**1. Understand your business strategy.** The first step in the strategic workforce planning process is to have a clear understanding of your business strategy. At the end of the day, your workforce is there to implement the strategy and achieve expected business results.

Strategic change fails when the people implementing the change don't know what they need to do differently in order to support the new strategy. These disconnects create confusion, conflict, and stress, and put even the best people in a position to fail. Make



## CheckPoint 360°™

### Overview

Improve performance and build bench strength across your organization. Learn how to determine strengths and development areas of senior staff, and report on strategies for effective leadership development.

### Purpose

The CheckPoint 360°™ is a 360-degree leadership assessment tool used to help managers identify and prioritize their own development opportunities and leadership skills. It can also help you discover management issues that could lead to low employee productivity, morale, satisfaction, and turnover. The CheckPoint 360°™ helps you:

- Guide your own professional development
- Improve employee morale, productivity, and satisfaction
- Decrease staff turnover

## Featured Report

### Engineering Consulting Firm Develops Leadership Capability with CheckPoint 360°™

In 2006, an engineering consulting firm began working with Profiles International to help senior leadership understand its individual strengths and areas of

sure that you have thought through the operational details of your strategy, and that you have sufficient facts and support to make a good decision.

Know how far and how fast you can reasonably move. It takes time, money, and thought to design and build technological infrastructure, production facilities, and distribution capability. Similarly, it takes time to hire, deploy, and train talent. This is even more true when your workforce requires special skills or credentials, or when your jobs are located in a talent-poor or highly competitive region.

The bottom line is that you need to know your business strategy, and the impact of that strategy, before you can create a meaningful workforce plan.

**2. Understand the labor market.** Understanding the labor market for the jobs necessary to drive your strategy will help you better understand the length of time it will take to fill a job, the salary you should expect to pay for the job, and potential challenges to filling the job. For example, a growing suburb might be in need of a new school, but the area is expensive and difficult to attract teachers. You need to take these factors into account as you build your strategic workforce planning.

Common factors to consider include macroeconomic forecasts, demographic trends, regulatory changes, and talent movement trends within your industry.

**3. Understand your future talent demands.** Once you have translated your business strategy into operational requirements, you must design the organization and the jobs necessary to implement the strategy. If you contrast this with your organization and jobs as they stand today, you can identify jobs you will need to create, jobs you will need to phase out, and the optimal timing of that transition.

Critical roles are those jobs that are mission critical to your future business strategy. If you don't have a solid plan for filling these roles with capable people, the business strategy simply won't come to life. For example, a new cardiac ward in a hospital needs cardiologists and acute care nurses in order to function.

Critical employee segments can include mature workers, visible minorities, members of Gen Y, ethnic groups, veterans, aboriginals, and others. They can be strategically important to certain organizations that need to fulfill requirements for certain types of government contracts or grants, or that want to meet the needs of key customer groups. For example, if a retail organization wants to position itself in areas with growing Latino populations, then they need to have Latino employees.

**4. Assess your current talent inventory.** Once you understand future demand, the amount of change needed, and the optimal timing of that change, you should inventory your current talent pool. This will help you determine how to eventually transition people into new roles. It will also give you insight into who won't fit into the new organization and help you create an exit plan.

**5. Identify talent gaps and strategies to close them.** After you have assessed your internal talent inventory and understand the jobs necessary for executing your new strategy, you can identify your gaps, determine a time frame for closing those gaps, and create specific tactics for closing gaps.

**6. Implement your strategies.** The last step is to run scenarios in order to understand how the availability of these critical roles or segments impacts the rest of your business plan. Then determine how your workforce plan will be impacted. Timing is important, which is why we examined the labor market earlier in the process.

### More Like Painting a Bridge than Creating a Masterpiece

Strategic workforce planning is a process, not a one-time event. Like other business processes such as Total Quality Management (TQM) or Six Sigma, strategic workforce planning requires a continuous improvement mindset. By standardizing our approach to a very important and challenging business problem, we reduce errors and better understand the factors that drive success. This ultimately reduces costs and increases effectiveness.

Finally, remember these three key lessons that will help your strategic workforce planning efforts succeed:

- Secure top-level executive sponsorship — don't attempt to swallow the entire elephant at once, and establish and track leading metrics.
- Inspect what you expect, starting with a few key metrics.

development. The strategic initiative was so successful that, today, the company is optimizing what it has learned at the senior levels, and pushing the application of the CheckPoint 360°™ across all parts of the workforce and organization.

[Read the full case study here.](#)

## New Opportunities

### Be a guest blogger for us!

Do you love to write about business, HR, and workplace topics? You could be a guest blogger for us! Enter your information in our guest blog submission form, or email us at [Profiles@profilesmail.com](mailto:Profiles@profilesmail.com) with "Guest Blog for Profiles" in the subject line!

- Start simple and stay the course. This discipline will help you make informed decisions that maximize benefit to the business.

## Contact Information