

Navigating the

WORKFORCE PLANNING PROCESS



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Introduction

Workforce planning may seem like a difficult task, given the recent unexpected and unprecedented global challenges. Planning can feel like it requires nothing short of a crystal ball. However, in times of uncertainty, strategizing and planning for your future workforce is even more important. In fact, a recent survey found that 33% of executives report they are planning to spend more on workforce planning over the next year.

You don't need a crystal ball. With some thought, discussion, and data, organizations use workforce planning to analyze and plan the steps required to prepare for future staffing needs. Simply put, workforce planning helps businesses have the right people in the right positions at the right time.

"Workforce planning is not just about hiring new people; it's [also] about the gaps between what you currently have and what you need," Jeremy Eskenazi, SHRM-SCP told the Society for Human Resource Management (SHRM). "If you do it right, you can discover who is capable of stepping into new roles with training and development and who may not be able to stay on in a job because the required skill sets are changing. Workforce planning is about all movement—up, down, in, out, or across the organization."

A strategic approach to workforce planning encompasses recruiting, hiring, employee development, talent management, and finance. When all of these facets align with the company's long-term objectives and goals, workforce planning should ultimately help drive the business forward.

Evaluate and analyze four key workforce issues

Effective and strategic workforce planning involves gathering information, forecasting, analyzing, and evaluating four key issues.

1. The workforce you need to reach your current and future business objectives

Not only is it important to ensure your workforce is equipped to meet current goals, workforce planning needs to also consider what the workforce should look like in the future.

When asked, more than half of executives stated they anticipate that “at least 20% of the roles in their organization will cease to exist by 2022,” [according to Mercer’s 2018 Talent Study](#). This signals the need for a proactive analysis of current positions and the people who fill them to determine where changes will be required to meet future business objectives.

2. The gaps between your current and future organization

To identify gaps, it's important first to assess what roles are required and what skill sets are needed to perform these roles. Then it's time to determine whether these skills are available within the current workforce.

During this gap analysis, it is important to consider reskilling and/or upskilling as a potential solution to help fill the gaps. Upskilling can serve to help employees become more skilled and relevant at their current position. At the same time, a reskilling effort allows existing employees to learn new skills in order to perform a different role within the organization.

[Succession planning](#) is also an effective way to minimize the gap between current and future needs. Including a [succession strategy and key metrics](#) as part of the overall workforce planning can help minimize potential disruptions resulting from retirement, resignations, or transfers within the company.

3. The recruiting and training plans for staff to address any skill gaps

The approach you select depends on whether your organization needs to expand, contract, or restructure the workforce to meet workplace demands. When developing a recruiting and training strategy, it's important to know how key roles are evolving in the industry and what talent availability is like.

Another important factor in recruiting and training planning is the impact technology is making on workforce needs. The ability to adopt new tools, such as robots, to perform work that humans were traditionally hired to do, results in what Michael Stephan, Deloitte's US human capital leader, [refers to as "super jobs."](#) These are positions that require skill sets that cross multiple domains. In the warehouse example, "a package organizer now has to be an expert in robotic tech," Stephan says. The increase in the super jobs phenomenon means workforce planning efforts need to reassess leadership roles by defining what it means to be a leader in a business that includes super jobs.

4. The sources to retain an outsourced or contingent workforce

There are times when it makes sense to look beyond recruiting new hires or retraining existing employees to meet workforce needs. [Contingent staffing](#) is a solution that more and more companies are turning to, particularly when future workforce needs are likely to be fluid or highly dynamic.

Contingent staffing options include temporary employees, part-time employees, contract workers, and consultants. Businesses often utilize a combination of these types of workers. As the use of contingent workers is only expected to continue to grow, companies would be wise to include these individuals as part of their ongoing strategic workforce planning efforts.



Common hurdles in workforce planning

There are some common challenges that can impact mapping out the people and positions an organization needs to succeed now and in the future. Here are some of the hurdles companies face when conducting a strategic workforce planning process and how to prevent them from derailing those efforts.

- **Sudden, unexpected internal and external changes.** As the global pandemic demonstrated, unanticipated requirements and changes can severely impact workforce planning efforts. An effective workforce planning process should be able to adapt quickly when change does happen. To prepare as much as possible for unexpected changes, Brain Kropp, group vice president and chief of research of Gartner's HR practice, [advises that](#) the planning process should allow for "more incremental adjustments to how the world is moving, rather than try to predict where the world's going to be."

- **Manual processes and separate business unit planning.** To be effective, workforce planning cannot happen in a vacuum. It should be informed by—and aligned with—the company’s overall strategic planning efforts. To maximize internal talent, it’s essential that cross-functional business teams partner in this process so employee skills can be leveraged throughout the company. Additionally, relying on manual functionality and outdated tools will slow down the process and make planning less effective.

- **Lack of data analytics.** Meaningful data analysis is required for successful planning and forecasting. It’s important not just to access the data but to leverage that data in a way that helps determine the best strategy for workforce planning. [Gartner research](#) shows that only 12% of organizations use talent data effectively to inform their business decisions, showing there is significant room for improvement. One area to focus on is ensuring that you have people involved in workforce planning who understand [predictive analytics](#) and can use data visualization to support informed decision-making.



Five steps to successful workforce planning

Once you understand the current workforce issues and the challenges you may encounter, you're ready to start the workforce planning process. As with any process, flexibility is key—but we have five steps we recommended to ensure you're prepared.

Step 1: Create a cross-functional planning process

HR, finance, and operations must work in partnership to develop the strategic workforce plan, identify new roles or eliminate roles, and then map out a specific action plan for recruiting, hiring, training, and retaining talent. An effective workforce planning process should be led and managed by a designated HR team, and be composed of high-level executives from each business area, as well as operations and legal stakeholders.

Step 2: Align with the company's business plan

Identify the current workforce state as well as the future state needed to achieve your strategic objectives. First, conduct a current state assessment to gain an understanding of existing resources. [More than](#) just headcount planning, this analysis should take into consideration the existing employees' current skills, as well as their development paths.

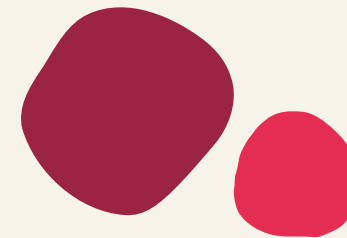
With the information from the current workforce analysis, the next step is forecasting the type of workforce your organization will need to meet business goals and objectives. This process should take into consideration factors such as technological advancements and potential expansion or reductions in global marketplaces.

Step 3: Use business and HR data to inform planning and decisions

It's crucial to have the right technology and tools in place to gather the data needed to perform these analyses. According to [Gartner](#), "Organizations that can sense and respond to new talent realities—from identifying skill needs to acquiring diverse talent—will secure a competitive advantage, but many organizations are trying to make critical workforce decisions while flying 'data' blind."

The good news is that there are workforce planning tools available to assist businesses in leveraging their existing data to create accurate forecasts, run predictive models, and help plan, track and implement changes in the workforce. A cloud-based platform that includes fast and easy workforce planning options, such as easily collecting and analyzing data on employee skills and experience, will help ensure workforce planning efforts are effective.

Some companies are also investing in external data and "workforce sensing" resources to better assess the talent market. However, such [workforce sensing capabilities](#) require a significant time investment to gain an understanding of external data sources, something that HR teams may not be prepared to do.



Step 4: Infuse the plan within all aspects of talent management

Talent management is how an organization executes its strategic workforce plan. The plan impacts all aspects of talent management: recruiting, onboarding, developing, retaining, and outsourcing. Once workforce gaps have been identified, thoughtful evaluation of how to best fill those gaps should include a holistic approach to talent management that considers what skills are needed and whether those skills are available within the current workforce. If internal talent isn't available, the next step is determining whether those needs should be filled by recruiting new talent, retraining existing talent, or hiring a contingent worker.

In a time when more employees work remotely, reliance on contingent workers is growing, and “super jobs” are becoming more prevalent, defining how an organization manages not just recruiting but reskilling—and even reassigning—employees should be included in the overall workforce planning process.

Step 5: Make workforce planning an ongoing process

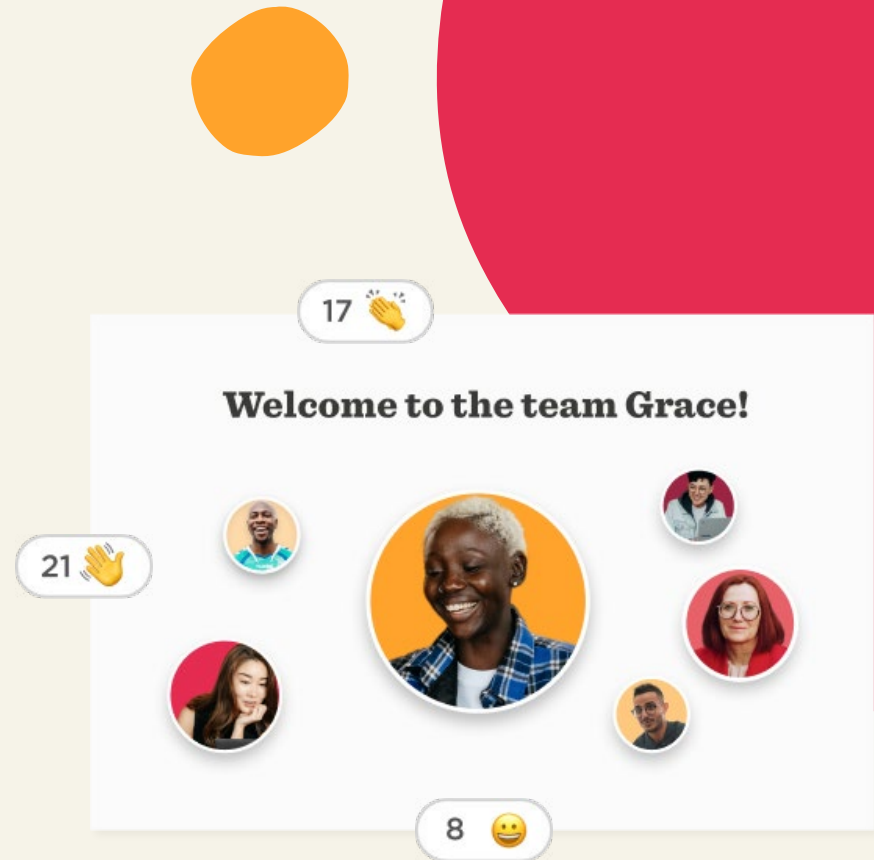
With change happening at an ever-increasing rate, the workforce planning process needs to be agile and adapt to both external environment and internal staffing needs. This effort is no longer an annual event. “It needs to be very flexible, because oftentimes the business’s priorities change, even in a short time,” Eskenazi told SHRM. “The business is constantly resetting—and faster than ever before.” Eskenazi recommends that workforce planning teams routinely engage with leadership for input to then make modifications and update the plan.

Approaching workforce planning strategically, with an eye on the organization’s long-term objectives, and from a collaborative, analytics-driven perspective gives businesses the ability to adjust and adapt to increasingly changing business needs.

Implementing an effective and agile workforce planning process can create an optimally staffed and trained workforce that can respond to the needs of the business and minimize risk from unforeseen disruptions.

Meet bob

We know how important it is to make holistic, data-driven decisions about your workforce strategy. That's why we built bob, an employee experience platform that helps HR leaders deliver on a plan that retains employees and creates opportunities for communication and collaboration. The bob platform helps organizations manage everything from goal setting, to performance management, and even compensation.



Now is the time to make smarter decisions when it comes to your people and organization.

To learn more about Hibob and our data-driven tools, get in touch with us at

contact@hibob.com

SCHEDULE A DEMO

NEW YORK

205 Hudson St.
New York, NY 10013

LONDON

Boundary House
91-93 Charterhouse St.
London EC1M 6HR, UK

AMSTERDAM

Linnaeuskade 38-3
1098BJ Amsterdam

TEL AVIV

28 Ben Avigdor St.
Tel Aviv 6721848