

Strategic workforce planning (SWP)

Review your business's strategy and value chain

- Clearly understand why workforce planning is needed:
 - summarise all hard people-related measures outlined in documents
 - summarise the soft measures.
- Review documents such as:
 - vision and mission statements
 - organisational performance plans
 - financials and budgets
 - organisation charts and studies
 - staffing plans.
- Organise a team to conduct the planning.
- Gather the data necessary to understand the big picture:
 - strategic plans
 - current and projected budget information
 - external market data and trends.

Research the internal labour market

- Collect the data covering the relevant group of employees, including:
 - headcount
 - titles
 - grades
 - performance ratings
 - qualifications
 - age
 - race
 - compensation
 - benefits.
- Create a current workforce profile, including:
 - number of employees
 - employee turnover
 - location
 - demographics
 - competencies
 - job levels
 - education
 - certification.
- Validate these findings.

Research labour market and forces

- Use the current workforce profile, identify trends, including:
 - time in position
 - turnover
 - increased or decreased compensation
 - growth or contraction of value of role.
- Validate these findings.
- Create a projected workforce profile based on trends and assumptions. Ask questions such as:
 - What changes are expected over the planning period?
 - ➔ These could be technology innovations, changes in organisational structure, planned outsourcing or similar.

- How will that affect volume, type and location of work?
- How will this affect the skill sets required?
- What will the planned organisation look like?
 - ➔ What competencies, how many people and what certifications will you need?
- Prioritise the top five to eight competencies that are essential and group them to differentiate one job level from another.
- Summarise the projected staffing levels and competencies required to meet the need.

Identify future skill set demands and any gaps or excesses

- Align the current and projected workforce profiles and identify gaps or excesses in:
 - headcount
 - grades
 - knowledge
 - skills
 - abilities
 - experience
- Draft a solution analysis to address gaps and excesses, covering:
 - vital skills needed for success
 - skill imbalances created by employee turnover
 - retention strategies and associated costs
 - training versus recruiting to fill competency gaps
 - contractors versus employees
 - reassignment of resources with excess skills to other key roles to create development opportunities
 - mentoring for employees needing nominal development.

Develop a resourcing strategy with line managers

Review the findings with line managers to:

validate projections and secure support

confirm gaps and excesses and define associated actions

model alternative project scenarios.

Reach agreement on overall skill set requirements, rank the criticality of skills, determine broad timing and employee requirements, and determine the compensation structure that will apply.

Define your workforce requirements

- Refine your needs in terms of total numbers and competency requirements.
- Outline how the skills can be developed – either through recruitment or developed through training, re-training, relocation, on-the-job mentoring or similar – and the lead times required to reach full competency.
- Use these elements to define a workforce system (covering the recruitment, training, retention and realignment functions) that addresses what is required to fill the critical roles.
- Develop alternate scenarios (including best and worst cases) and their consequences, such as a lack of skills or the expense of resources in the market shifting the focus to training.
- Develop a communication strategy to communicate your workforce plan and its expectations to affected employees and stakeholders.

Develop a resourcing strategy

- Agree on the guiding principles and philosophical approach to talent acquisition.
- Assess the labour pool in key geographies for critical skills and competencies needed and:
 - Determine whether internal candidates can meet the needs and how internal sourcing will be handled.
 - Assess the need for external recruiting support, establishing preferred provider contracts with reputable recruiting firms and leveraging your organisational brand to solicit better hires.
 - Identify alternative sourcing strategies, including campuses or trade schools, flexible arrangements, relocation and secondments.
- Make use of information sources including published labour market analyses, internal skills and competency databases.

Develop a resourcing plan

- Establish a project lead and a project management team.
- Develop a high level action plan that includes the activities and costs required to implement the sourcing strategy.
- Review the plan with your legal counsel to determine whether there are any red flags exist; mitigate them if needed.
- Monitor progress and track costs.

Implement and measure the plan

- Appoint a project team to oversee the implementation and monitor progress against goals.
- Develop a detailed action plan that includes all the tactical activities required to implement the workforce plan:
 - a project management office
 - a communication strategy (for employees and leadership)
 - training
 - recruiting
 - technology systems
 - policy and programme revisions
 - measures of success, both during implementation and ongoing.

Integrate the plan with other planning and HR processes

- Lastly, integrate your strategic workforce planning (SWP) process into other planning and processes in your business.