Building Workforce Planning Capabilities Based on Your Business Needs

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Poll – What is Workforce Planning

- Counting heads

- Planning HC needed for projects/tasks

- Aligning headcount to financial plan

- Having a headcount plan with specifics around location, level and timing

- Plans based on skill/capability needs within the organization

- All of the above

Workforce Planning Definitions

Workforce Management

Schedule staffing supply to short-term forecasted demand.

Headcount Planning

Monitor planned, open, and filled positions within the organization on a short-term basis.

Operational Planning

Forecast and model workforce demand and supply over a 1-to-2-year horizon to ensure smooth running of operations.

Strategic Workforce Planning

Model workforce demand and supply over a 2-to-5-year horizon based on how specific internal and external forces will change the skills, jobs and talent needs of the business.

Shorter Term Perspective   *Longer Term Perspective*

WFP: Strategic Considerations

- What is the desired future state degree of integration between Finance and HR, given the cost/benefit tradeoff?
  - Process-wise
  - System-wise
  - The more deeply integrated (level of detail), potentially less agile for future shifts in work, delivery model, etc.

- Is there a common definition used to translate between Finance and HR, i.e., FTEs vs. Heads?

- What are Long-Term Plan Strategic Business Drivers, and how dynamic are they?
  - Which demand drivers should scenarios be planned around?
  - What should be the "order" of multiple drivers?
  - What "weight" should be given to each of the multiple drivers?

- How agile can your Job Architecture and/or Service Delivery Model be? What are the tradeoffs between very static and highly dynamic?

- What is the nature of the organizational culture when it comes to change, and how would this influence the uptake and sustainment of an increasingly dynamic Future of Work, Workforce, and Workplace?

Workforce Planning Challenges

Inconsistent visibility of headcount gaps by business, location and level

Siloed workforce planning & lack of coordination between HR, Finance and Business

Limited use of existing data in the process

Need for better insights to future talent needs informing HR, IT, facilities planning by location

Lack of clear governance and processes

Lack of participation by HR in the planning process

Limited access to workforce insights and information

Various tools not being integrated

Need for visibility into full year comp plan aligned across Business, HR and Finance

Unable to assess or access skills and capabilities, current and future needs

Aligning WFP to Business Need

ADVANTAGES

Easier to gain buy in

Faster and more meaningful impact to organization

Fit for purpose

Guiding Principles

Have a Consistent Process

Define Process Before Tools / Data

Agree Upon Minimum Planning Standards

Keep it Simple

Craft a Better Process Than Before

Do Not Solve for Everything At Once

Aligning Stakeholders

Starts with headcount planning to ensure visibility to near-term workforce and talent needs while staying on budget.

A longer-term outlook will result in a more mature workforce planning function.
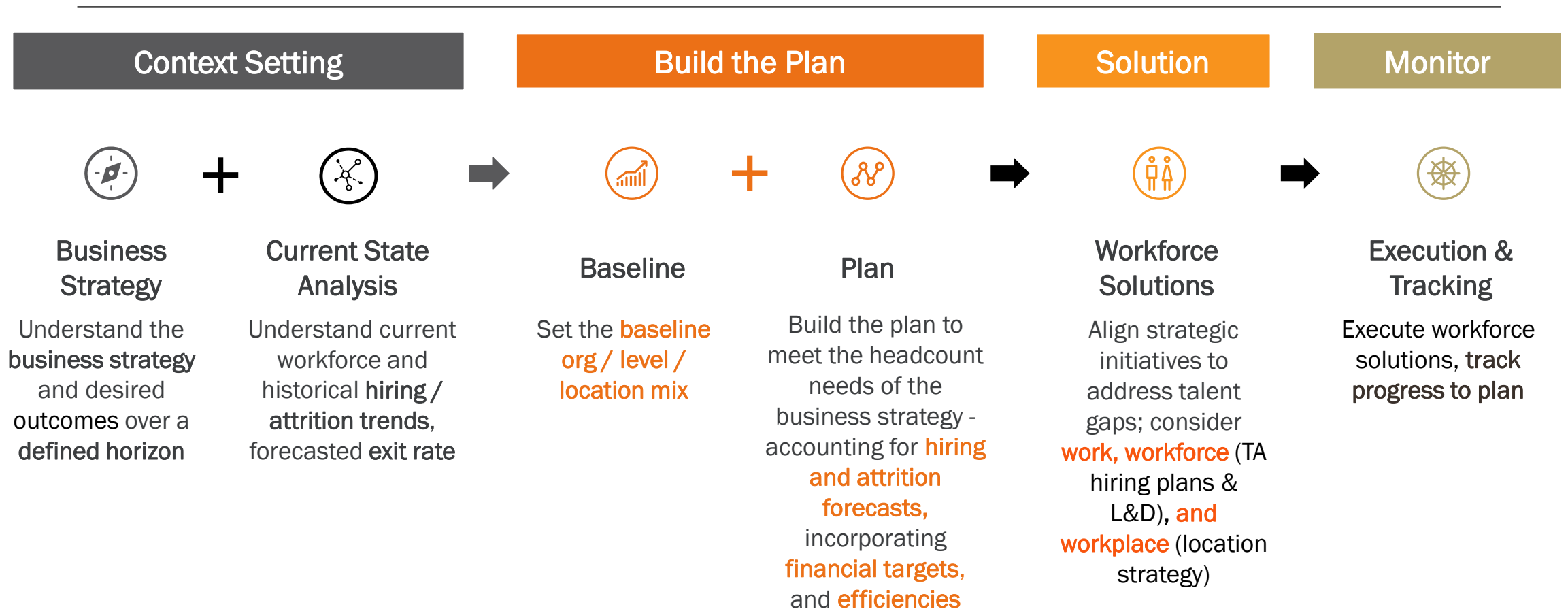
SHORT-TERM OUTCOMES

- **Better visibility** of headcount gaps across the business

- **Consistent monitoring** of total spend

- **Org, level, & location plans** for improved headcount management

- **Improved clarity and coordination** across Business Leaders, Finance, and HR
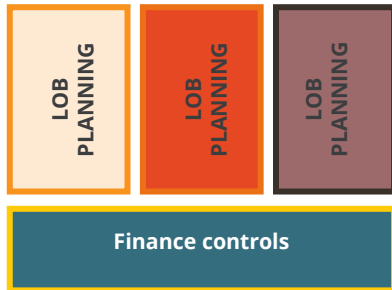
LONG-TERM OUTCOMES

- **Increase accountability** for managing human capital risk

- **Proactively solution** for over/under-spend

- **Support** execution of location strategy and strategic shifts in workforce mix

- **Proactively build** external and internal talent pipeline to meet business needs

Process

Context Setting	Build the Plan	Solution	Monitor

Business Strategy

Understand the **business strategy** and desired **outcomes** over a **defined horizon**

Current State Analysis

Understand current workforce and historical **hiring / attrition trends**, forecasted **exit rate**

Baseline

Set the baseline org / level / location mix

Plan

Build the plan to meet the headcount needs of the business strategy - accounting for hiring and attrition forecasts, incorporating financial targets, and efficiencies

Workforce Solutions

Align strategic initiatives to address talent gaps; consider work, workforce (TA hiring plans & L&D), and workplace (location strategy)

Execution & Tracking

Execute workforce solutions, track progress to plan
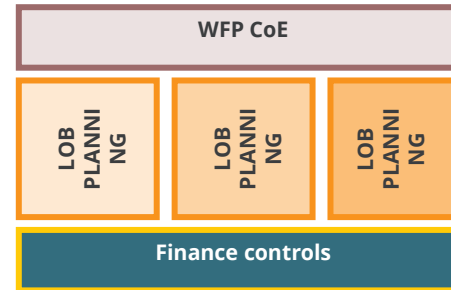
Governance Models

Decentralized

PROS
- Business control over WFP design to address specific business needs
- Limited bureaucracy

CONS
- Multiple standards and processes
- Can lead to wide variations in WFP maturity
- Increases organizational redundancy / cost
- Reduced economies of scale

Federated

PROS
- Balance consistency with business needs
- Improved insights cross-LOB by enforcing common level of planning detail + roll-up
- Helps enforce plan accountability
- Support for LOBs with little WFP experience

CONS
- G&A costs to manage the WFP processes
- Reduced WFP program flexibility
- Risk of resources going rogue/losing controls
- Potential for overlap of responsibilities and duplication of resources
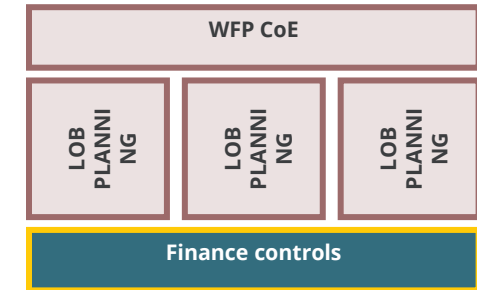
Centralized

PROS
- Drives consistency in service at scale
- Ability to focus on quality of planning through central core team
- WFP function reports to single exec sponsor
- Strong, central accountability for WF plans

CONS
- G&A costs to manage the WFP processes
- Reduced sense of ownership by business
- Increased bureaucracy; more limited business specific customizations

Roles and Responsibilities

Role		Responsibility
Business Leaders	Sponsors	Champion WFP, approve overall approach and metrics
	Business Leadership	Approve plans, take action on plan risk
Business WFP Team (per segment)	Business Workforce Planner	Capture plans, coordinate input with finance and HR, partner with business leader on input, enter plans in system
	Finance Partner	Provide headcount and compensation budget, reconcile
	HR Partners	Provide hiring estimates, consult with business leader and business WFP team on projected workforce changes (attrition, RIF), share analysis
HR	WFP Enterprise Process Owner	Enterprise process strategy, governance, metrics, oversight Manage tactical process, build documentation, consolidate plans, compile metrics/reporting
	Data and reporting consultant	Support data architecture, harmonization and governance

Reporting
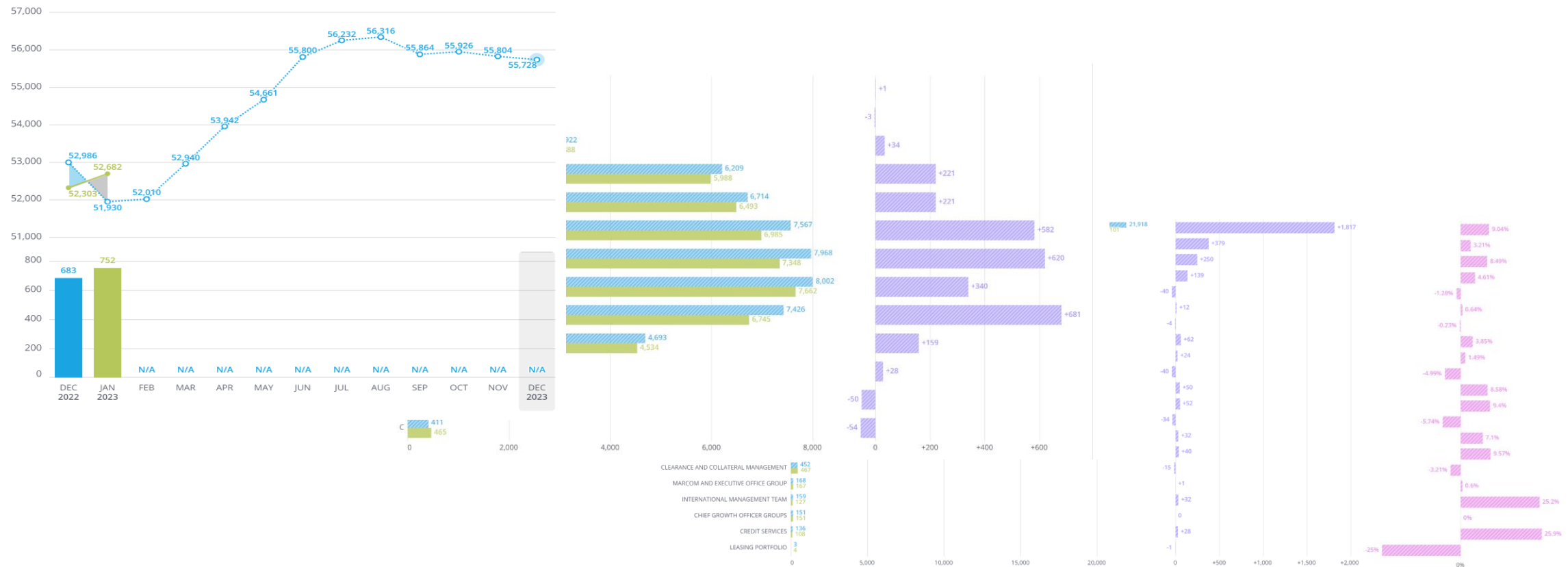
Skills Strategy and SWP
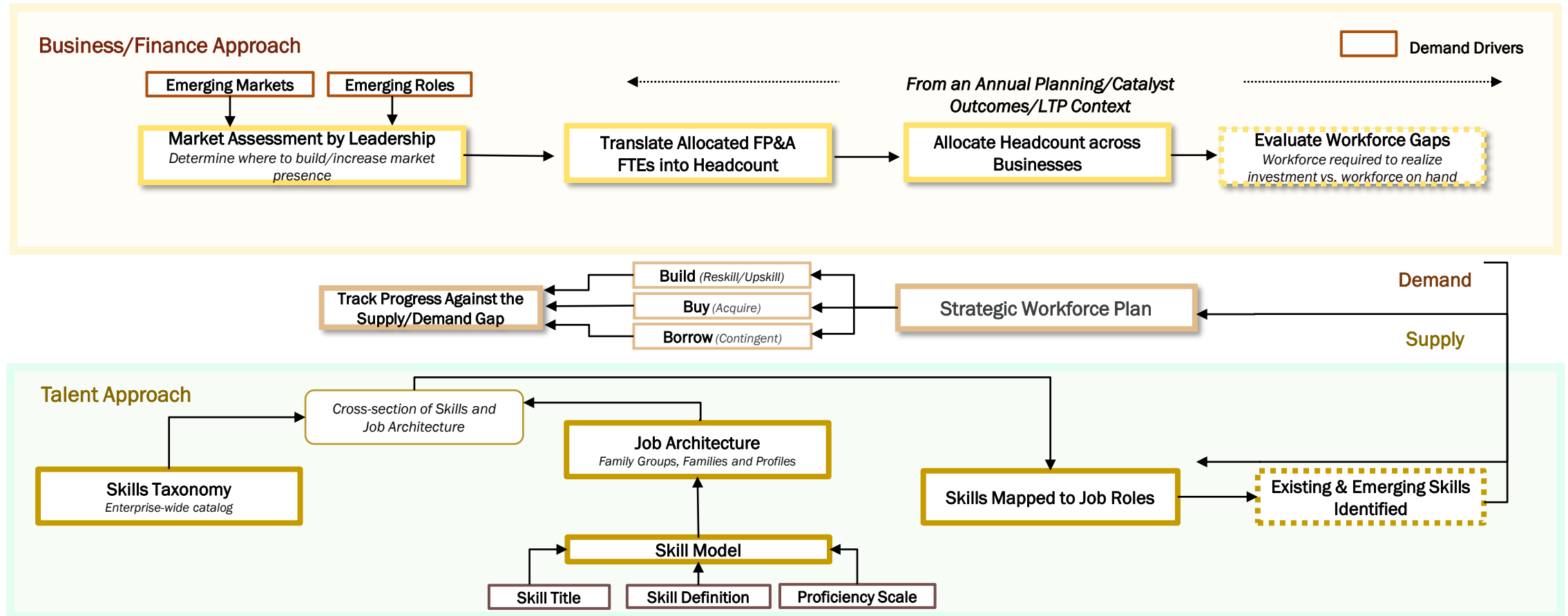
Strategic Workforce Planning

Process	Understand the Environment	Define Current / Future State	Analyze Gaps	Take Action & Monitor Progress

Key Activities	• Understand business and workforce input to include
	
	  • Define critical workforce segments
	
	  • Key business drivers and challenges
	
	  • Internal and external factors/influences
	
	  • Competitor and external talent supply profiles
	
	• Identify existing workforce programs and initiatives
		• Review current workforce data
		
		• Interview stakeholders focusing on current workforce risks and challenges
		
		• Capture workforce requirements and scenarios aligned to business strategy and objectives and environmental factors (may be interviews and/or facilitated session(s))
		
		• Develop current and future workforce profile
			• Compare future workforce requirements to current workforce
			
			• Identify and document gaps
			
			• Review gaps against existing programs and initiatives
			
			• Partner with HR centers of excellence to design/adjust HR programs and investment
			
			• Validate gap closing strategies with business stakeholders
				• Develop action plans and define KPIs
				
				• Assign action owners
				
				• Implement actions
				
				• Monitor and report on progress
				
				• Check and adjust plan as defined by business rhythm

Deliverable	Environmental Scan	Workforce Profile(s)	Gap Analysis and Workforce Strategies	Action Plan and Metrics

Thank You