■ Executive Briefing

The Executive's Guide to Strategic Workforce Planning

Profiles ⟩ International®

HiringSmart
Know your people. Know your edge.

Although 92% of companies have some level of workforce planning, only 21% of companies take a strategic, long-term approach.

Source: Bersin and Associates

Why strategic workforce planning matters to you

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 the HR department, but it is so important to the success of a business that business leaders should approach it 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 to implement business strategy. But the 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 in the right jobs, and this can seriously hinder the execution of even the most well thought out strategy. We polled our experts and asked them to define a simple, straightforward strategic workforce management process.

The steps in the strategic workforce planning process are:

1. **Establish where your business is going**
2. **Understand where the labor market is going**
3. **Understand your future talent demands**
4. **Assess your current talent inventory**
5. **Identify your talent gaps and strategies to close them**
6. **Implement your strategies**

This report elaborates on these six steps and offers some common sense advice for undertaking this important process.

1. Establish where your business is going

Business strategy drives the organizational structure and jobs

The first step in the strategic workforce planning (SWP) 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 the expected business results. Elements of your business strategy that will have the greatest impact on your talent strategy include:

1. Areas of your business that you want to grow
2. Areas of your business that you want to maintain but make more profitable
3. Areas of your business that you want to divest or exit

What does this changing strategy mean for the business?
This is a crucial question that must be understood at the executive level, the business unit level and the front-line operational level. 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 sure that you have thought through the operational details of your strategy , and that you have sufficient facts and the support necessary to make a good decision.

How far, how fast?
Know how far and how fast you can reasonably move. It takes time, money and thought to design and build technology infrastructure, production facilities and distribution capability. Similarly, it takes time to source, 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 where the labor market is going

Scanning the market helps you identify talent supply and limitations

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, maybe there is a need for a new school in a growing suburb, but the area is expensive and it is difficult to attract teachers. You need to take these factors into account as you build your SWP.

Common factors to consider include:

1. Macroeconomic forecasts--A vibrant, growing economy usually increases demand for talent and raises the cost of employment. Conversely, a challenging economy often increases the supply and affordability of even the very best talent.

2. Demographic trends--The age of the available workforce can be an indicator of the capability and availability of workers in an area. Therefore it may be desirable to locate a technology business near a college town as opposed to a retirement community.

3. Regulatory changes--Think about what would happen if the US government suddenly offered universal healthcare. People who work for larger organizations because of the health benefits may choose to enter business independently, and this changes the employment mix.

4. Talent movement trends within your industry- Who's moving, where are they moving and why? This can be driven by many external factors such as better job security , better pay or the opportunity to do the most interesting work.

3. Identify your future talent demands

Business strategy drives organizational and job design

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 right now, you can identify jobs you will need to create, jobs you will need to phase out, and the optimal timing of your transition.

Focus on what really matters to avoid "paralysis by analysis"
As with most forecasting efforts, identifying talent demands can be part art and part science. We need to make certain assumptions when we develop our business strategies, and the further ahead we plan, the more uncertain those assumptions become. Rather than getting bogged down in the minutiae, we recommend focusing first on critical roles and critical employee segments.

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, a retail organization wants to position itself in areas with a growing Latino population. Having Latino employees is necessary to accomplish this aspect of the strategy.

4. Assess your current talent inventory

## Who's on first; What's on second?

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

There are three key questions you need to answer:

1. How well will the worker "fit" the new job? You need to know if she has the behaviors and interests to be productive in the job. For example, if the new job requires her to think more strategically and less tactically, does she have the DNA and the desire to make that leap? If she doesn't fit well, you might be able to place her in a different job that fits her better.

2. Will the worker have the "skills" to perform the new job? It is much easier to teach skills than to change behaviors. However, you need to know what skills the learner needs to acquire and how long it will take to acquire these skills. This helps you focus your training investments most effectively. There are a number of very effective assessments to help you answer these questions.

3. How is talent currently moving in your organization? You need to understand how long talent stays in your organization. This can be accomplished by analyzing demographics to identify who is nearing retirement and when they might retire, and by understanding your voluntary and forced attrition.

5. Identify your talent gaps and strategy to close them
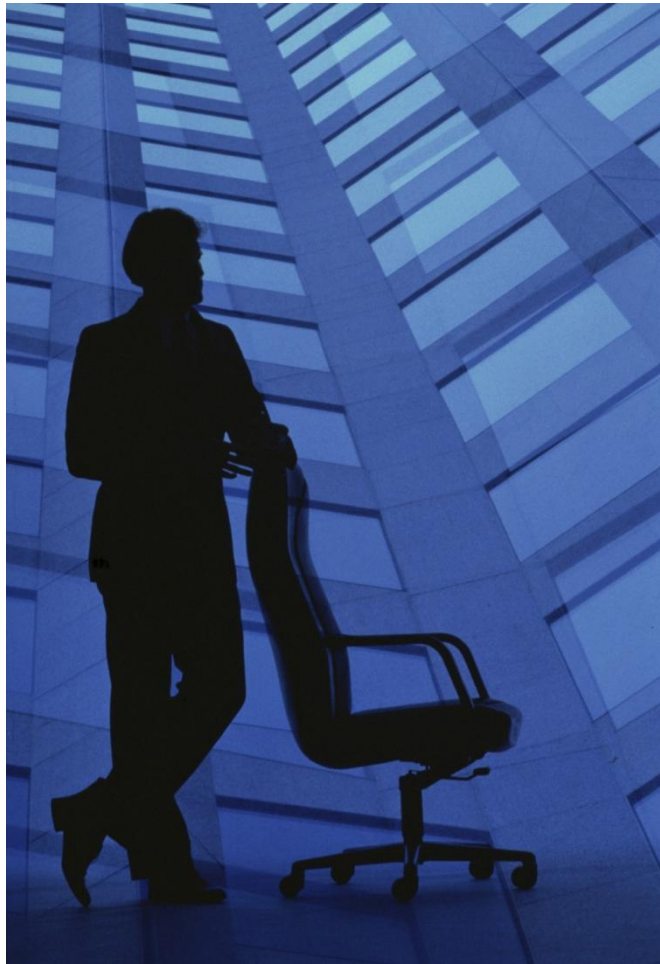
The age-old strategic planning questions: What? When? and How?

Once you have assessed your internal talent inventory and understand the jobs you will need in order to execute your new strategy, you can identify your gaps, determine a timeframe for closing those gaps, and create specific tactics for closing gaps.

We mentioned earlier the importance of focusing on critical roles and employee segments. The next 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.

You typically have 4 options as you seek to fill these roles. They are "The 4 Bs"

1. Build: Developing your internal talent helps you build a cohesive culture and sends a strong message to your people that you are committed to them. It also mitigates risk because you know the employee, the employee knows you, and the transition can be relatively quick.

2. Bounce: Redeploy talent from obsolete or redundant jobs, as well as people who don't fit well with the new jobs that they may be qualified to fill. This can also mean bouncing the employee from the organization altogether.

3. Buy: Recruit outside talent. This can be expensive, slow and risky. Recruiters are often involved, the process may be long, due diligence takes more time, and it is still difficult to predict whether the outside hire will be successful in your organization.

4. Borrow: Procure contingent or contract labor. This is increasingly popular for new ventures because it is highly flexible and you can "try before you buy."

6. Implementing the process

Process is the key word to remember

Strategic workforce planning is a process, not a one-time event. Like other business processes such as Total Quality Management (TQM) or 6-Sigma, SWP 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 improves effectiveness.

Below are three key lessons that will help your SWP efforts succeed.

1. Secure top-level executive sponsorship. Although the name "strategic workforce planning" is bound to get the attention of the HR department, its scope far exceeds the mandate of most HR departments and even senior-level HR executives. HR can facilitate the process, but the business and functional leaders need to be intimately involved to ensure that their needs are met. If they lose confidence in the process, they will resist it.

2. Don't attempt to swallow the entire elephant at once. As we mentioned, SWP is a process that reaches broadly within an organization and requires a continuous improvement mindset. It is best to focus on the critical roles or most significant pain points first, and build positive momentum through quick wins. Use focused pilot projects to learn how the process will work in your organization before reaching out more broadly.

3. Establish and track leading metrics. Inspect what you expect, starting with a few key metrics to set goals and measure progress toward them. Start simple and stay the course. This discipline will help you make informed decisions that maximize benefit to the business.

Checklist: The Strategic Workforce Planning Process

1. **Establish where your business is going**
   a. What is your business strategy?
      i. Areas to grow
      ii. Areas to maintain
      iii. Areas to exit
   b. What does this change mean for the business?
      i. Executive level
      ii. Business unit level
      iii. Front-line operational level
   c. Expected speed of change

2. **Understand where the labor market is going**
   a. Macroeconomic forecasts
   b. Demographic trends
   c. Regulatory changes
   d. Competition for scarce resources
   e. Talent movement trends in your industry

3. **Understand your future talent demands**
   a. Organizational structure necessary to support future strategy
   b. Jobs necessary to support the future organization
   c. Obsolete jobs to phase out
   d. Critical employee segments

4. **Assess your current talent inventory**
   a. Behavioral fit for new future jobs
   b. Skills to perform new future jobs
   c. Internal talent movement
      i. Retirement
      ii. Attrition

5. **Identify your talent gaps**
   a. What positions will you need to fill?--Scenario analysis
   b. When will you need to fill them?
   c. How will you fill them?
      i. Development of internal talent
      ii. Redeployment of redundant resources
      iii. Recruitment from within or from outside
      iv. Contingent and contract labor

6. **Implementation**
   a. Secure top-level executive sponsorship
   b. Don't attempt to swallow the entire elephant!
      i. Focus on critical roles or most significant pain points
      ii. Build positive momentum through quick wins
      iii. Learn through a focused pilot
   c. Much more than an HR initiative

How We Do It – Overview of our assessments and solutions

Your Business Objective											
High-level Strategic Workforce Management											
Identifying high-potential employees and managers		PXT				CP360			PSA	CSP	
Strategic workforce and succession planning		PXT		PPI	CP360				PSA	CSP	
Restructuring, reorganizing and downsizing		PXT		PPI		PMF	WES	PSA	CSP	PLP
Post-merger integration of organizations		PXT		PPI		PMF	WES	PSA	CSP	PLP
Everyday Workforce Management											
Basic pre-employment screening	SOS		PST								
Screening, interviewing and selecting job candidates		PXT	PST	EBC					PSA	CSP	
Onboarding new employees		PXT		PPI		PMF					
Improving employee productivity and work quality		PXT		PPI			WES				
Improving employee motivation and communication				PPI		PMF	WES				
Resolving conflict between co-workers				PPI							
Selecting and managing teams				PPI							
Evaluating management effectiveness		PXT		PPI	CP360		WES				
Prioritizing management development needs					CP360		WES				
Sales and Customer-facing Workforce Management											
Screening, interviewing and selecting job candidates			PST	EBC					PSA	CSP	
Retaining and growing customers and accounts									PSA	CSP	PLP
Improving sales performance				PPI	CP360	PMF	WES	PSA		PLP

Legend

SOS	Step One Survey		PMF	Profiles Managerial Fit
PXT	ProfileXT		WES	Workplace Engagement Survey
PST	Profiles Skills Tests		PSA	Profiles Sales Assessment
EBC	Employee Background Checks		CSP	Customer Service Profile
PPI	Profiles Performance Indicator		PLP	Profiles LoyaltyPro
CP360	CheckPoint 360			

How We Do It – Assessment and solution descriptions

Step One Survey II® (SOSII)

The SOSII is a brief pre-hire assessment that measures an individual's basic work-related values. It is
used primarily as a screening tool early in the candidate selection process.

This assessment provides valid insight into an applicant's work ethic, reliability, integrity, propensity
for substance abuse, and attitudes toward theft — including property, data and time.

ProfileXT® (PXT)

The PXT assessment measures how well an individual fits specific jobs in your organization. The "job matching" feature of the PXT is unique, and it enables you to evaluate an individual relative to the qualities required to successfully perform in a specific job. It is used throughout the employee life cycle for selection, on-boarding, managing, and strategic workforce planning.

This assessment reveals consistent, in-depth, objective insight into an individual's thinking and reasoning style, relevant behavioral traits, occupational interests, and match to specific jobs in your organization. It helps your managers interview and select people who have the highest probability of being successful in a role, and provides practical recommendations for coaching them to maximum performance. It also gives your organization consistent language and metrics to support strategic workforce and succession planning, talent management and reorganization efforts.

Profiles Performance Indicator™ (PPI)

The Profiles Performance Indicator is a DISC-type assessment that reveals aspects of an individual's personality that could impact their fit with their manager, coworkers and team, and their job performance. It is used primarily for motivating and coaching employees, and resolving post-hire conflict and performance issues.

The PPI specifically measures an individual's motivational intensity and behaviors related to productivity, quality of work, initiative, teamwork, problem solving, and adapting to change, as well as response to conflict, stress, and frustration. The output from this assessment serves as an "operator's manual" for an employee, which helps managers better motivate, coach, and communicate with the employee. It also helps to predict and minimize conflict among co-workers, and it provides crucial information for improving team selection and performance.

A powerful feature of the PPI is the **Team Analysis Report**, designed to help managers form new teams, reduce team conflict, improve team communication, improve their ability to anticipate problems, and enhance their team leadership skills.

It helps evaluate overall team balance, strengths, and weaknesses, as well as team members' personality characteristics along 12 key factors: control, composure, social influence, analytical, patience, results orientation, precision, expressiveness, ambition, teamwork, positive expectancy, and quality of work. It also provides team leaders with practical recommendations and action steps to take in order to succeed in their jobs.

CheckPoint 360°™

The CheckPoint Management System is a 360-degree assessment. It is used primarily to evaluate the effectiveness of your managers and leaders. This assessment combines feedback from direct reports, peers, supervisors, and even customers, with a personalized program for developing specific leadership skills based on that feedback. This process highlights a manager's job performance in 8 universal management competencies: communication, leadership, adapting to change, relationships, task management, production, development of others, and personal development.

The CheckPoint 360 helps managers identify and prioritize their own development opportunities. And it helps the organization to better focus management training and development investments; proactively uncover misaligned priorities between senior executives and front-line managers; and surface management issues that could lead to low employee productivity, morale, job-satisfaction, and increased turnover.

Profiles Managerial Fit ™ (PMF)

People typically don't quit their companies, they quit their bosses. Profiles Managerial Fit (PMF) measures critical aspects of compatibility between a manager and their employees. This report offers an in-depth look at one's approach to learning, as well as six critical dimensions of compatibility with their manager: self-assurance, conformity, optimism, decisiveness, self-reliance, and objectivity.

Managers use this information for adapting their styles in order to get the most from each employee; improve communication; increase engagement, satisfaction, and productivity; and reduce employee turnover.
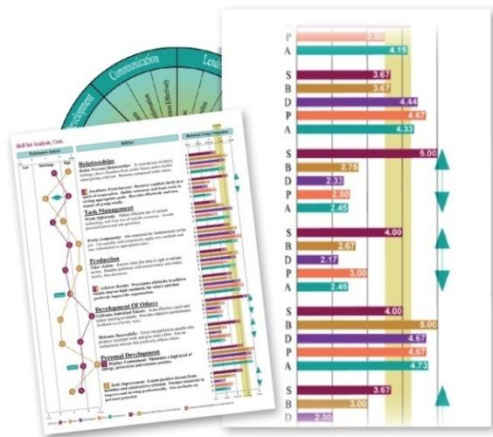
How We Do It – Assessment and solution descriptions

Workplace Engagement Survey (WES)

Our Workplace Engagement Survey (WES) measures the degree to which your employees connect with their work and feel committed to the organization and its goals. This gives you and your management team a detailed view of what influences engagement across all of your workforce segments and how your employees compare statistically to the overall working population.

In addition, the WES measures "satisfaction with employer" and "satisfaction with manager" across your entire organization, and gives recommendations for your organization to improve.
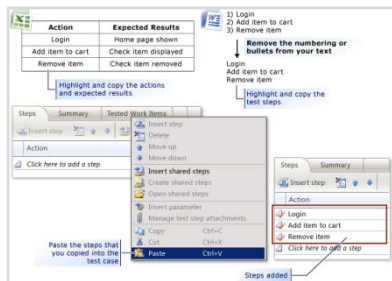
Profiles Skills Tests (PST)

Profiles International provides comprehensive assessments to measure essential knowledge and skills. We use powerful technologies, such as performance-based testing, which simulates popular software products like Microsoft Office, to ensure accurate, reliable, assessment of knowledge, skills, and abilities. Our skills assessments cover Software Skills, Clerical Skills, Call Center Skills, Accounting and Finance, Medical, Nursing, Legal, Industrial, Computer Literacy, Retail, Food Services, Information Technology, Staffing, and Human Resources.

Employee Background Checks (EBC)

Profiles International provides comprehensive employee background checks for our clients. These include Consumer Credit Reports, Criminal History Record, Drivers' History Report (DMV), Education Verification, Employment History Verification, Foreign Nationals Terrorist Sanctions Search (OFAC, CLFST & OSFI), Identity Verification Search, Incarceration Records Search, Military Service Verification, Cursory Nationwide Criminal Index Database Search (CNID), and many more.

How We Do It – Assessment and solution descriptions

Profiles Sales Assessment™ (PSA)

The Profiles Sales Assessment (PSA) measures how well a person fits specific sales jobs in your organization. It is used primarily for selecting, on-boarding and managing sales people and account managers.

The "job modeling" feature of the PSA is unique, and can be customized by company, sales position, department, manager, geography, or any combination of these factors. This enables you to evaluate an individual relative to the qualities required to perform successfully in a specific sales job in your organization. It also predicts on-the-job performance in seven critical sales behaviors: prospecting, call reluctance, closing the sale, self-starting, teamwork, building and maintaining relationships, and compensation preference.

Customer Service Profile™ (CSP)

The Customer Service Profile (CSP) measures how well a person fits specific customer service jobs in your organization. It is used primarily for selecting, on-boarding, and managing customer service employees.

The CSP also looks at what your current and future employees believe is a high level of customer service, while at the same time showing where they align (or not) with the company's perspective. We have a general industry version of this assessment as well as vertical specialties in hospitality, healthcare, financial services, and retail.

Profiles Loyalty Pro™ (PLP)

Profiles LoyaltyPro™ is a web-based customer loyalty surveying tool. Loyalty, as determined through the "voice of the customer," is a leading indicator that predicts the "staying power" of an account.

Profiles LoyaltyPro™ offers companies a tool to gather ongoing, critical account intelligence that helps them assess the relationship between the buyer and the supplier, ultimately driving the action plan to improve customer service. Having insight into your customer's perception of your relationship allows you to steer the strategic business efforts and initiatives of the account management teams to continually improve customer relationships and build a network of loyal customers.

Profiles International – Who We Are

Profiles International helps organizations worldwide create high-performing workforces.

Through our comprehensive employment assessments and innovative talent management solutions, our clients gain a competitive advantage by selecting the right people and managing them to their full potential.

Where We Are
Profiles serves 122 countries around the globe and has material in 32 languages.