

NAVIGATING THE WORKFORCE PLANNING PROCESS

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Introduction

It's easy for workforce planning to feel like an overwhelming task, especially given the unpredictability of the world we live in. Planning for what lies ahead 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 percent of executives report they are spending more on workforce planning than before.

You don't need a crystal ball. With some thought, discussion, and data, organizations can use workforce planning to analyze and plan the steps required to prepare for future staffing needs. Simply put, workforce planning can help your business 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 recruitment, [employee development](#), [talent management](#), and finance. When all of these facets align with the company's long-term objectives and goals, workforce planning can effectively help drive the business forward.

What is workforce planning?

Workforce planning is a way of assessing your organization's current and future needs and creating a strategy for the people you require to serve those needs.

In short, it's a process that ensures you have the right people, in the right roles, at the right time.

By looking into the future as well as at your current setup, workforce planning is an effective way to of making sure that you:

- Consistently have the right number of people for your workload
- Are prepared to replace retiring team members with skilled professionals
- Have people with the key skills and competencies your teams need to operate effectively

- Can be flexible and agile depending on changing organizational needs
- Are being efficient with your staffing costs and optimizing your output

Accurately forecasting what your business will need requires careful consideration and, in today's climate, the preparation of a number of flexible plans based on data from your current workforce. Done right, workforce planning will ensure that your business always has the right amount and mix of talent to move you towards your wider strategic goals.

Why is workforce planning important?

Workforce planning is important to give your organization the flexibility it needs. By looking ahead and forming a series of agile strategies, you can have a plan ready to go the moment the needs of your business change. For example, if you have a pipeline of staff ready to step up and step in as people retire or move on, you can seamlessly reshape your teams to support emerging product lines.

Considering the changing face of your peoples' skill sets is also an ideal way of supporting a **positive culture** where professionals feel they can learn, grow, and progress at work.



What is the goal of workforce planning?

Workforce planning supports senior leadership in building a coherent plan for the future and understanding the relative risk of each significant business decision.

Your primary aim is to create a strategy or series of strategies that shape how you will staff your teams over a number of years, as well as how you will respond to different circumstances.

A workforce plan will provide:

- Metrics that allow senior management to identify risks before they make an impact
- Clear analysis of your current team's skill sets and any challenges that might lie ahead
- An understanding of the advantages you may have over the competition—which can inform your recruitment strategies



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, but your workforce planning also needs to 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 Talent Study](#).

Given the dramatic shifts of the last few years, that rate of change has only accelerated. It signals the need for proactive

analysis of your current positions and the people who fill them so that you can 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 to assess what roles are required and what skill sets are needed to perform them. Then it's time to determine whether these skills are available within your current workforce.

During this gap analysis, it is important to consider reskilling and/or upskilling. This can be an effective way of helping to fill gaps, and upskilling also provides your people opportunities to progress in their careers. Similarly, a reskilling effort allows existing employees to learn new skills in order to perform different roles within the organization.

Succession planning is also an effective way of minimizing the gap between your current and future needs. Incorporating a **succession strategy and key metrics** into your 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 its 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 recruitment and training planning is technology's impact on workforce needs. The ability to adopt new tools, such as bots, to perform work that humans were traditionally hired to do, results in jobs that require skill sets that cross multiple domains. The rise in remote work has also widened the potential pool of talent available to your business.

These types of changes mean your workforce planning efforts need to reassess what it means to be a leader in businesses that include ever-diversifying sets of skills.

4 The sources to retain an outsourced or contingent workforce

At certain times, it makes sense to look beyond recruiting new hires or retraining existing employees to meet your 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** to meet their needs.

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 how you go about mapping out the people and positions your organization needs to succeed now and in the future. Here are some of the hurdles companies typically face when conducting a strategic workforce planning process and how to prevent them from derailing your own efforts.

- **Sudden, unexpected internal and external changes.**

As recent years demonstrated, unanticipated requirements and changes can severely impact your staffing needs. An effective workforce planning process should be able to adapt quickly when changes do happen. To prepare as much as possible for unexpected changes, Tim Dowd, CEO of Accurate Background **suggests that** “the best advice is to plan as much as possible as early as possible for hiring needs. Thoughtful, well-established hiring strategies will allow businesses to address multiple scenarios to continue to run and thrive.”

- **Manual processes and separate business unit planning.**

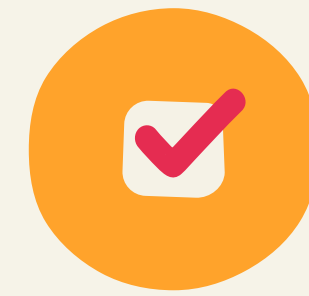
To be effective, workforce planning cannot happen in a

vacuum. It should be informed by—and aligned with—your 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.

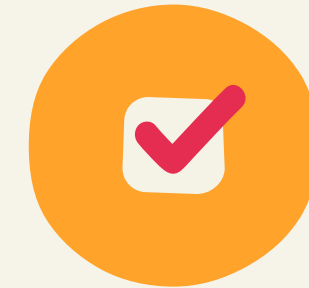
- **Lack of data analytics.** Meaningful data analysis is required for successful planning and forecasting. It’s important not just to access the data but to leverage that data in a way that helps determine the best strategy for workforce planning. **Gartner research** shows that only 12 percent of organizations 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 your process of workforce planning who understand **predictive analytics** and can use data visualization to support informed decision-making.

Five steps to successful workforce planning

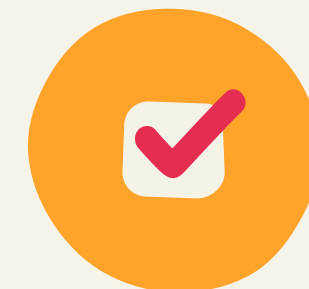
Once you understand the current workforce issues and the challenges you may encounter, you're ready to start the workforce planning process. As with any process, flexibility is key—but we have five workforce planning steps we recommend to ensure you're prepared.



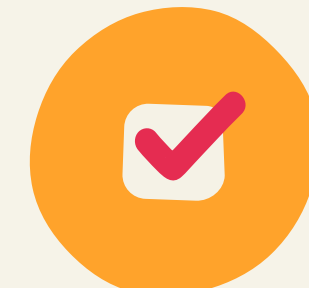
Create a cross-functional planning process



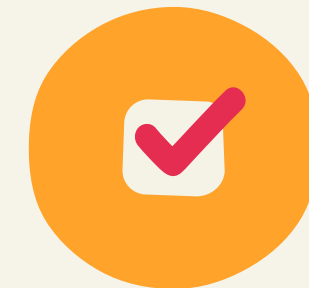
Align the plan with the company's strategic business plan



Use business and HR data to inform planning and decision-making



Infuse the plan within all aspects of talent management



Make workforce planning an ongoing process

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.

2 Align the plan with the company's strategic 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 consider the existing employees' current skills and their development paths.

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

3 Use business and HR data to inform planning and decision-making

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 employee skills and experience data, will help ensure effective workforce planning efforts.

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.



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” in which people straddle multiple skill sets 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.



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 in real time to both external environment and internal staffing needs. This effort is no longer an annual event. Companies need to engage in an ongoing planning process with shorter time frames.

“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



**An example
of workforce planning**



These days, **smart HR leaders** realize that having a workforce plan targeted at just one possible future isn't enough. Instead, they're building multiple plans that allow them to be flexible and agile in their approach to future needs.

Let's imagine you're in a **senior HR position** at a scale-up. With the company evolving rapidly, launching new products, and reaching into new marketplaces, you've got regular workforce planning to think about and potential periods of high-intensity hiring that will require a substantial investment in staffing. The first of your plans might focus on rapid expansion into a new market, for which you'll be required to attract qualified talent quickly and effectively to support the business' success. This type of strategy will naturally focus on recruitment but also analyze your current teams to identify those with the potential to step into leadership or management roles.

A second plan may instead focus on how you can make only a few key hires in that new area of business while otherwise relying on contingent workers to support the surge in workload.

This type of strategy requires building even more agility into your structure and also demands more of your HR team in the form of people management and the regular updates that senior stakeholders will require.

Finally, a third plan may outline a pause on hiring, instead outlining ways of upskilling and reskilling your existing people. In this example, your business may focus on a slower growth model, building loyalty with existing customers and reaching deeper into market segments already familiar with its products and services.

In each of these example scenarios, it's important to think about where you are now, the skills and competencies you have available to you, and what you are likely to need, given the expected outcome. By **analyzing the gap** between these elements, alongside any upcoming retirements or people looking to change their role in the business, you can make clear plans for your recruitment, retention, and people management strategies that stay firmly within your budget.



How HR platforms can help

Traditionally, workforce planning is done in spreadsheets, external systems, or on paper records. While these may work well for sketching out initial ideas, it becomes extremely challenging to clearly align goals and tasks, track the execution of the plan, and deliver regular updates to key stakeholders. With information dispersed over several systems, a significant amount of effort is required to manually collect and compile findings at regular intervals.

If you're using spreadsheets to complete the steps in workforce planning, it's likely to be slow and time-consuming—and can lead to a greater number of human errors. Equally, spreadsheets won't let you easily view your plan alongside your executed tasks or obtain a quick snapshot of your current status.

HR tech, on the other hand, lets you:

- **Streamline your position planning.** By converting spreadsheets into living processes with full visibility, analytics, and a high level of accuracy, you can give your HR and finance teams everything they need to make clear and quick decisions.

- **Empower your managers to be focused.** By connecting managers with your workforce planning strategy, you'll give them the opportunity to evaluate their team's productivity and skill set, and to more easily build realistic plans for how they can meet their goals—rather than merely having to follow top-down directives.
- **Keep everyone aligned with your strategic plans.** By sharing access and increasing visibility, the finance team and other executive stakeholders can tune in with your HR strategy, helping them plan, execute and track your collective efforts.

By bringing together all elements of your **workforce management**, HR tech can take a lot of the back-breaking manual work out of your strategy. With increased accuracy, transparency, and advanced analytic functions, it's no surprise that businesses all over the world are turning to technology to supercharge their **HR processes**.

Meet Bob

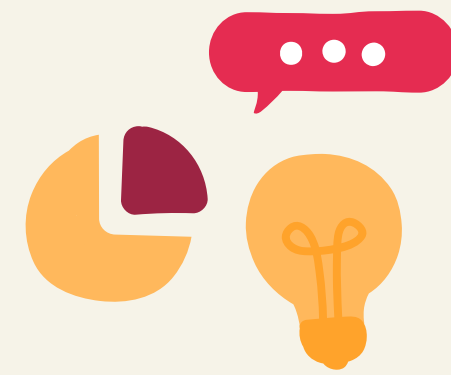
An HR platform such as Bob offers a one-stop-shop for all things people. It sits at the center of your HR ecosystem, is fully customizable, and grows with your organization.

In a short time, Bob can be deployed to enable communication, collaboration, and connectivity that drives stronger engagement, productivity, and business outcomes.



For HR

It automates many common processes, it delivers automation of many common processes, allows greater oversight and visibility of the business, and centralizes all people data in a secure, user-friendly environment.



For managers

It provides access to data and insights to help them lead more effectively and streamline processes.



For employees

It's the tools and information they need to connect, develop, and grow throughout their journey.

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

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