

ARUSPEX

Strategic Workforce Planning



Leveraging HR Data in Workforce Planning



What is Strategic Workforce Planning?

Strategic Workforce Planning enables an organisation to:

- identify, understand and intelligently position itself for changing **internal** and **external** conditions in terms of labour **supply** and **demand**
- Analyse your **current** state and explore and target your **future** state
- ensure that the supply and demand of **Capabilities**, **Availability** and **Productivity** of Talent balance in the most effective way to enable organisations to deliver on their business strategies

Strategic Workforce Planning

What makes it strategic?

- **Alignment** with the organisation's strategic plan
- **Targeted** to those areas that have the greatest strategic impact
- **Reliable** tool for senior management to weigh alternatives, guide business decisions and advance strategic planning

Strategic Workforce Planning: Forecasting Human Capital Needs to Execute Business Strategy (July 2006)

The Conference Board Report

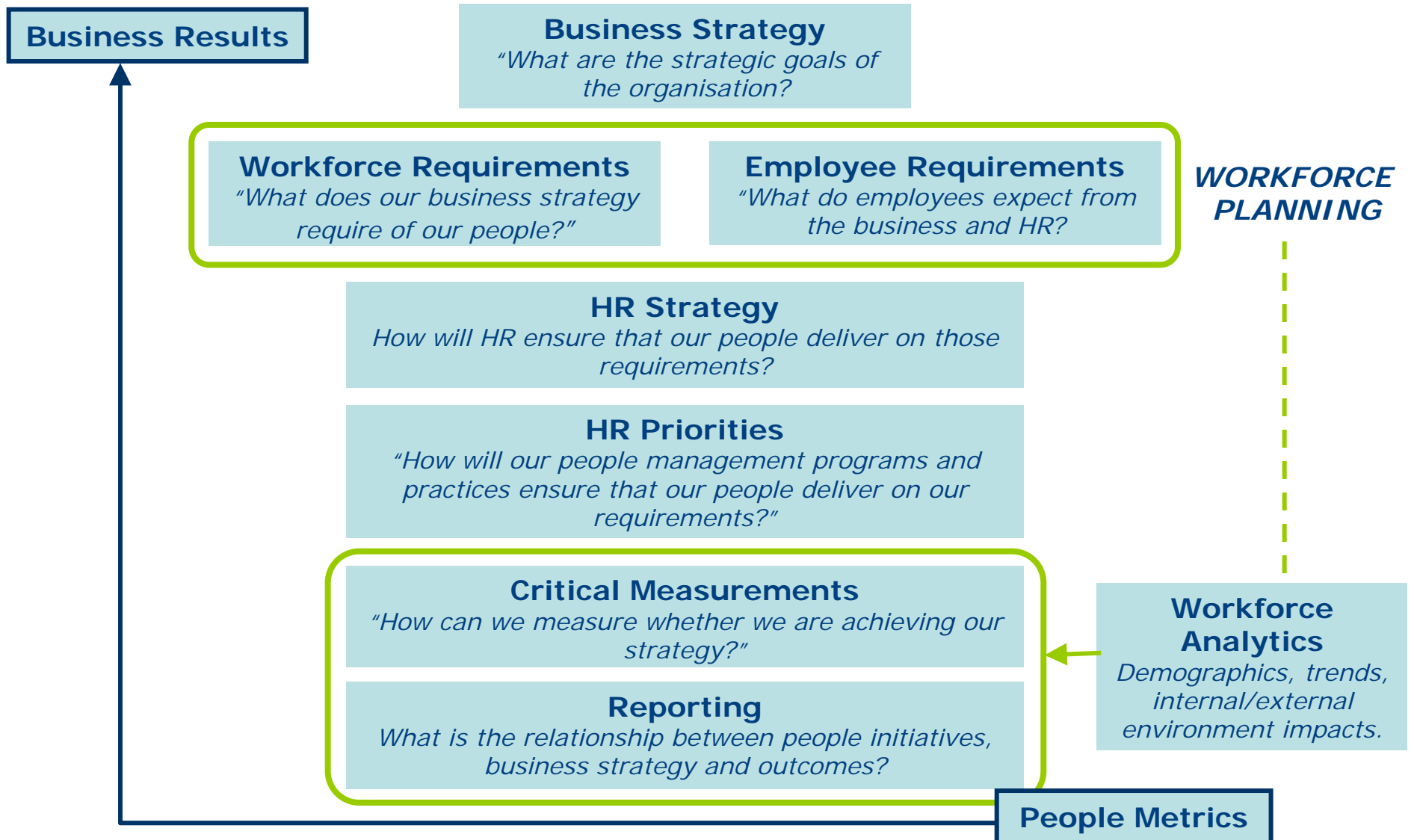
Key Messages

- relatively new management process
- no organisation claims to have achieved it yet
- all workforce planning efforts end up with some form of segmenting
- metrics are an input to workforce planning

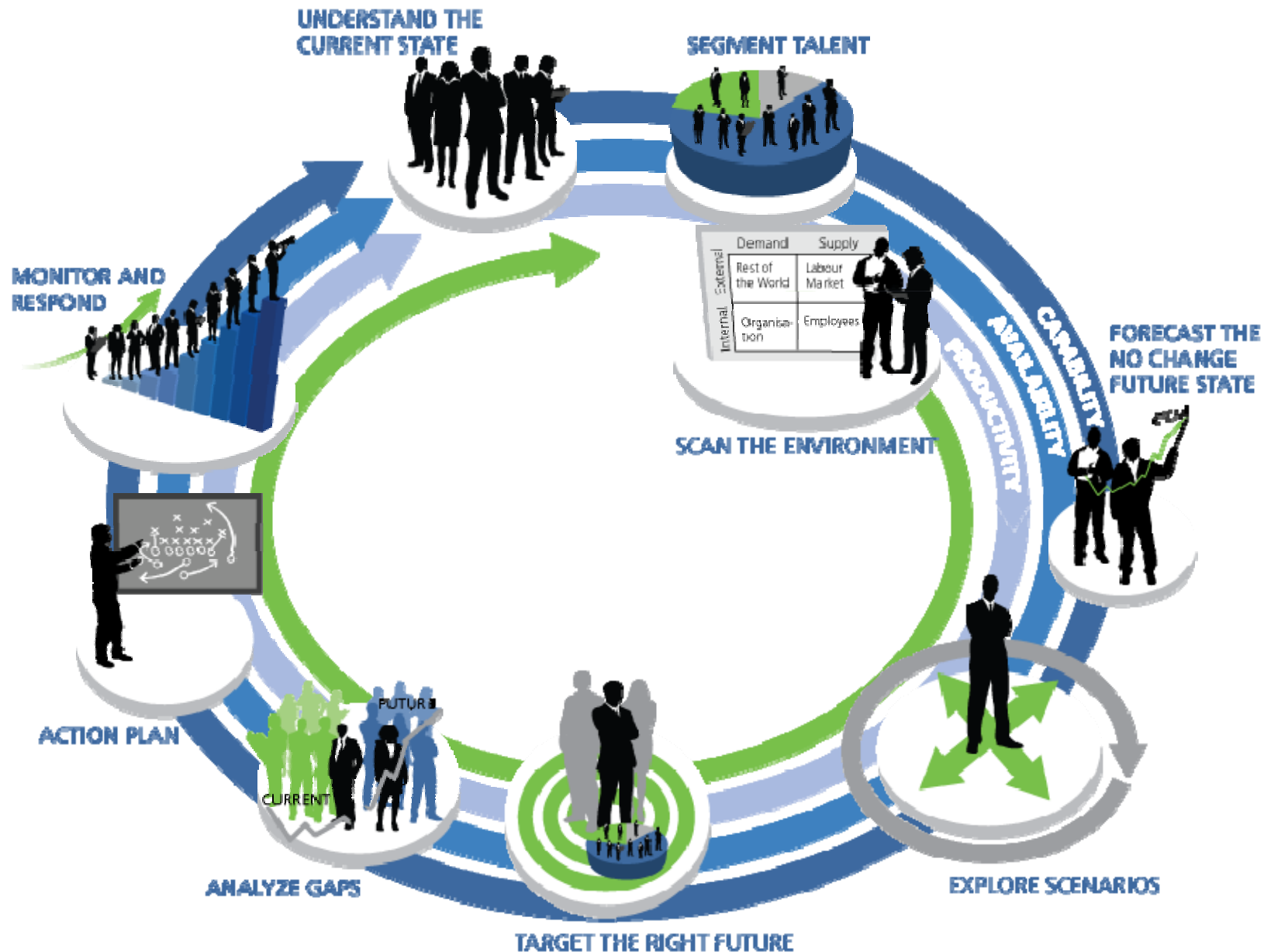
Strategic Workforce Planning: Forecasting Human Capital Needs to Execute Business Strategy (July 2006)

The right HR metrics data enables an organisation to convert data to information , then information into insight

The plan in Context



Strategic Workforce Planning Framework



Common Workforce Planning Challenges

- Analysis Paralysis (data swamp)
- Number of sources of information (external and internal)
- Consistency of approach (collaboration)
- Obtaining meaningful aggregate views (business unit effort providing enterprise insight)
- Engaging the right levels of the business (engaging business in the necessary steps – not all steps)
- Complexity (uncertainty what to do/not to do)
- Time involved (operational tasks can take more time than need to)

Environment Scanning

Demand	Supply	External
<p>ROW - Rest of World Political, Environment, Social, Technology</p> <ul style="list-style-type: none"> •Political Agendas •Technological advancement •Social trends •Environmental awareness •Education •Legislation •Globalizationthe list is endless 	<p>Labor Market</p> <ul style="list-style-type: none"> •External workforce data •ABS data •Industry •Competitor employment offers 	
<p>Organisation</p> <ul style="list-style-type: none"> •Culture and values •Work organization •Business operations and processes •Management systems •Service agreements •Budgets •Client or customer survey information •New business/joint ventures/alliances •New technology or processes •Changing responsibilities 	<p>Employees</p> <p>Profile data</p> <ul style="list-style-type: none"> •Gender and age distribution •Job level/salary composition •Geography •Employment mode (e.g. part-time) •Length of service •Performance review •Capabilities trend data •Separation, transfer rates •Exit interview information •Overtime applications •Recruitment, redeployment patterns 	Internal

Most managers and leaders put 10% of their energy into selling the problem and 90% into selling the solution to the problem.

Executives aren't in the market for solutions to problems they don't see, acknowledge and understand.

Break up the workforce

Divide into groups with like outputs, criticality and motivation.

Step 1: Create CAP™

Capability: Doing the right things

Availability: The right people to do things

Productivity: Doing things right

Step 2: CAP™- Strategic Classification

A: Critical to Strategy

B: Core to Strategy

C: Supports Strategy

D: Misaligned to Strategy

Step 3: Segment

- Respond differently to different programmes

- Be motivated differently

- Be at different stages in their life cycle

***All our knowledge is about the past,
but all our decisions are about the
future***

Three Phases to Developing a Future

❖ Quantitative futuring:

understanding the future you are currently tracking to by forecasting what your workforce would look like if current trends continue

❖ Qualitative futuring:

scenario planning potential alternative futures in terms of capabilities and demographics to deliver your business strategy.

❖ Targeted Future:

analysing the content of your forecast and your scenarios then fine tuning to develop a Targeted Future

Future Workforce (forecasting/scenario planning)

Current Workforce Demographics	Rate of Turn over and internal movements				Projected Workforce Demographics		
	Resignation - rolling 12 months	Transfers out rate	Recruitment Rate - rolling 12 months	Transfers In rate	Projections 1st year	Projections 2nd year	Projections 3rd year
Current State	0.00%	0.00%	0.00%	0.00%	0.0	0.0	0.0
Gender							
Male	0.00%	0.00%	0.00%	0.00%	0.0	0.0	0.0
Female	0.00%	0.00%	0.00%	0.00%	0.0	0.0	0.0
Employment Mode							
Full-time	0.00%	0.00%	0.00%	0.00%	0.0	0.0	0.0
Part-time	0.00%	0.00%	0.00%	0.00%	0.0	0.0	0.0
Age Range							
25 and under	0.00%	0.00%	0.00%	0.00%	0.0	0.0	0.0
26-35	0.00%	0.00%	0.00%	0.00%	0.0	0.0	0.0
36-45	0.00%	0.00%	0.00%	0.00%	0.0	0.0	0.0
46-55	0.00%	0.00%	0.00%	0.00%	0.0	0.0	0.0
56 and over	0.00%	0.00%	0.00%	0.00%	0.0	0.0	0.0
Length of service range							
0-1	0.00%	0.00%	0.00%	0.00%	0.0	0.0	0.0
2-3	0.00%	0.00%	0.00%	0.00%	0.0	0.0	0.0
4-5	0.00%	0.00%	0.00%	0.00%	0.0	0.0	0.0
6-10	0.00%	0.00%	0.00%	0.00%	0.0	0.0	0.0
11-15	0.00%	0.00%	0.00%	0.00%	0.0	0.0	0.0
16-20	0.00%	0.00%	0.00%	0.00%	0.0	0.0	0.0
21 and over	0.00%	0.00%	0.00%	0.00%	0.0	0.0	0.0

You know you have got the data right if...

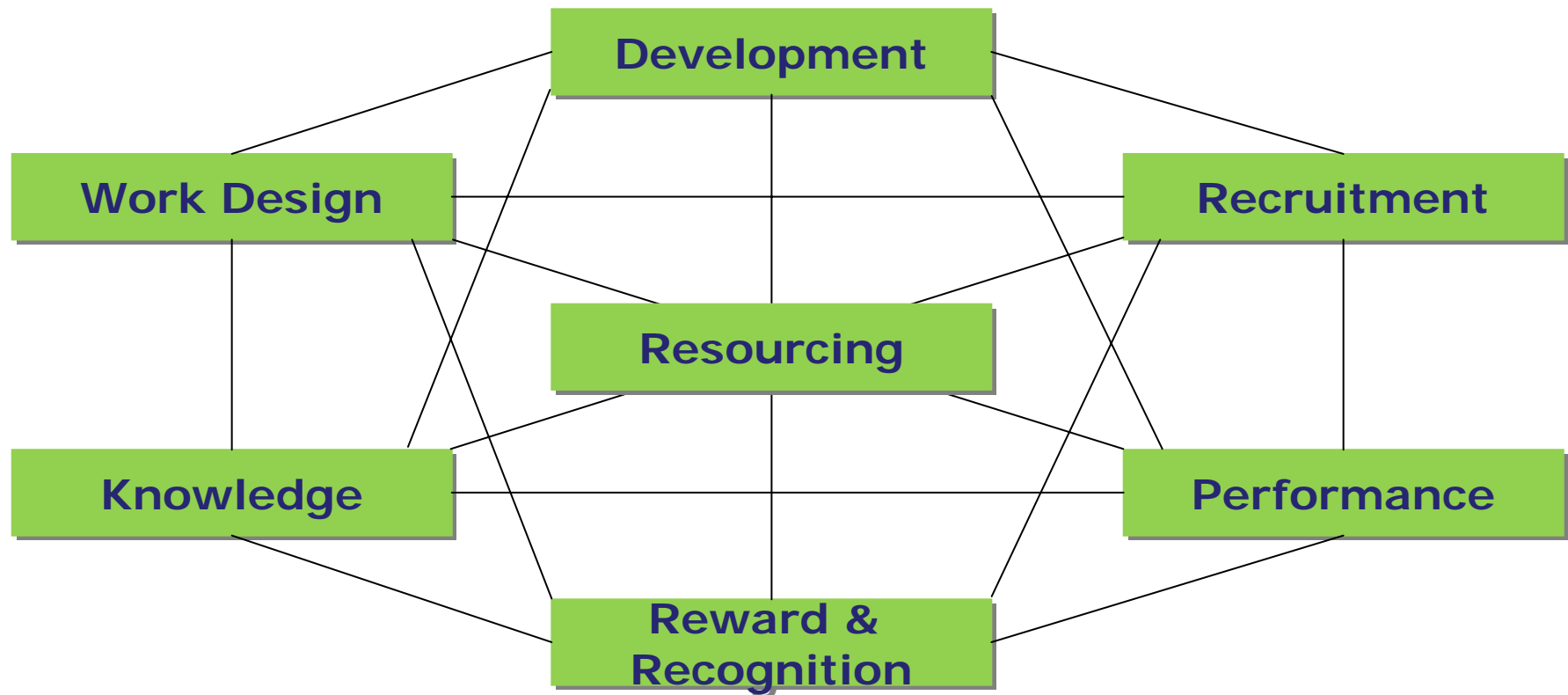
The right measures enable an organisation to:

- convert data to information, then to convert information to insight
- inform business decisions and answer key questions
- ensure that the organisation is understanding its current state and its trends

Never confuse movement with action.

Ernest Hemingway

Action Plan Sections



Workforce Planning Fundamentals

- Evolution not revolution
- Show executive why before how
- Workforce Planning is about aggregates and trends
- Do the ground work in creating the burning platform/engaging the business
- Apply a futuring technique that fits your organisation
- Discuss, discuss, discuss, document and publish

To learn more...

Visit our website www.aruspex.com

- ❖ Our Knowledge Centre

- ❖ Our 2 day workshops
 - ❖ Sydney 6 & 7 May 2008
 - ❖ Melbourne early June 2008

A business strategy without a workforce plan is just wishful thinking!!



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