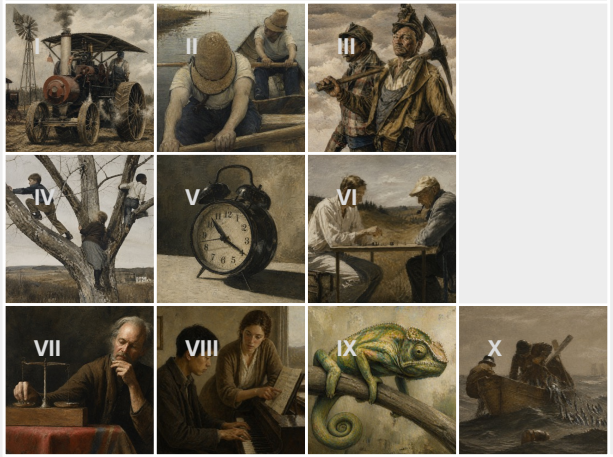
STRATEGIC WORKFORCE PLANNING

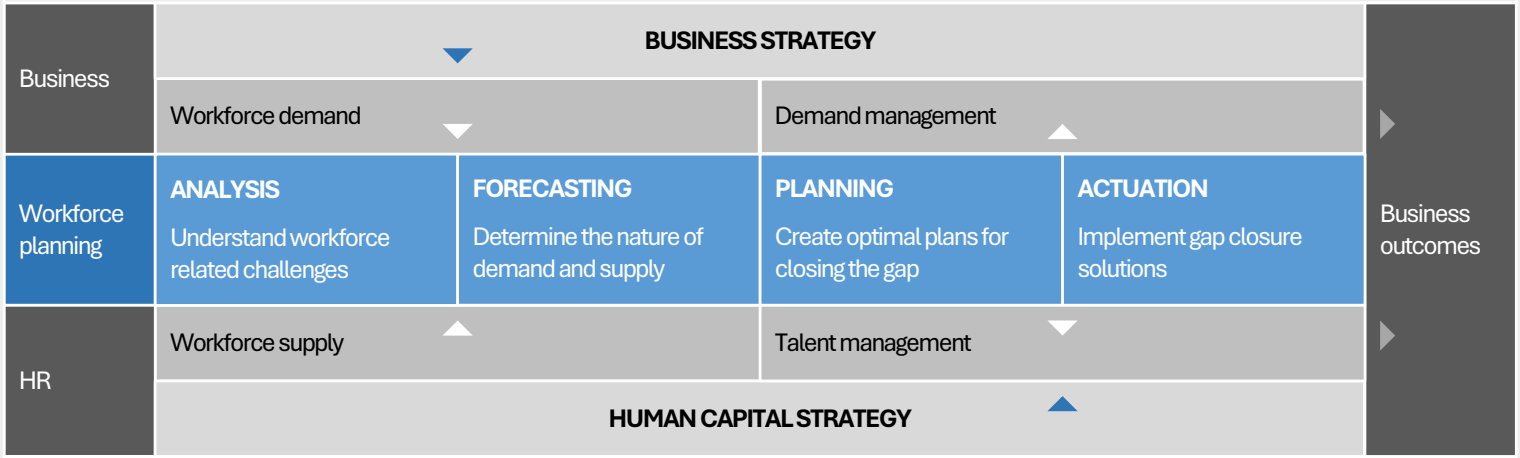


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STRATEGIC WORKFORCE PLANNING FRAMEWORK AND ITS SUCCESS FACTORS

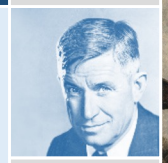


- Strategic workforce planning requires an end-to-end approach from analysis, through forecasting and planning to actuation.
- Strategic workforce planning should be positioned between the business and HR function to facilitate delivery of business benefits.
- Strategic workforce planning should be structured along process and outcome related success factors – the 10 commandments.



COMMANDMENT | **I**

STRUCTURE AND MANAGE YOUR WORKFORCE PLANNING AS AN END-TO-END BUSINESS CAPABILITY



Just because it is common sense, doesn't mean it is common practice.

Will Rogers



Workforce planning as a business capability requires →

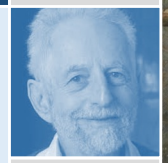
- planning process at the strategic, tactical, and operational level,
- dedicated people skilled in workforce analytics and planning,
- descriptive, predictive, and prescriptive analytics tooling, and
- clear workforce planning governance structure,

→ to enable an effective and efficient execution of strategy.



COMMANDMENT **II**

ALIGN YOUR WORKFORCE PLANNING PROCESS WITH YOUR BUSINESS PLANNING PROCESS



One possible reason why things aren't going according to plan is that there never was a plan.

Ashleigh Brilliant



The alignment with business planning is focusing on the understanding of the →

- market and industry developments,
- growth and/or performance improvement targets,
- demand fluctuation patterns due to the changing nature of work, and
- planned or expected organizational changes,

→ and determining the impact on current and future workforce requirements.



COMMANDMENT **III**

FOCUS FIRST ON THOSE WORKFORCES AND CAPABILITIES THAT ARE CRITICAL TO THE PERFORMANCE OF YOUR BUSINESS



Focus is a matter of deciding what things you're not going to do.

John Carmack



The main criteria in selecting which workforces to focus on is the →

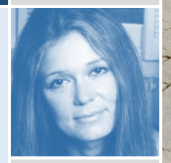
- amount of business impact of the specific workforce,
- speed of expected change in required skills and competencies,
- strength of a current talent pipeline, and
- upscaling or downscaling possibilities,

→ with the aim of ensuring the alignment with business priorities and quick wins.



COMMANDMENT	IV

CONTINUOUSLY TRACK, ANALYZE, AND UNDERSTAND THE MOVEMENT OF WORKFORCES THROUGH YOUR ORGANIZATION



A movement is only composed of people moving.

Gloria Steinem



Continuous and consistent tracking and analysis of the →

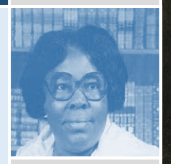
- historical movement patterns of workforce through the organization,
- workforce inflow rules and related assumptions,
- workforce attrition rules and related assumptions, and
- workforce progression assumptions,

→ to be able to make more accurate and timely projections into the future.



COMMANDMENT	V

ANALYZE AND PLAN YOUR WORKFORCE IN A STRUCTURED WAY, ON A CONTINUOUS BASIS, AND WITH FREQUENT ITERATIONS



Failing to plan is planning to fail.

Effie Jones



Workforce planning is someone's normal daily job requiring →

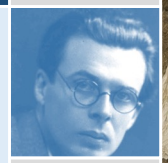
- continuous input from the business on the changing volume and nature of work,
- an iterative approach reflecting the strategic, tactical, or operational focus,
- quick and frequent work and workforce analysis, and
- continuous alignment with HR on changes in workforce supply,

→ to be able to generate actionable workforce insights on a regular basis.



COMMANDMENT **VI**

BASE YOUR WORKFORCE PLANS ON FACTS, ANALYSES, AND RESULTS OF SIMULATING AND OPTIMIZING FUTURE SCENARIOS



Facts do not cease to exist because they are ignored.

Aldous Huxley



Simulation-based prescriptive analytics enables a step change through the →

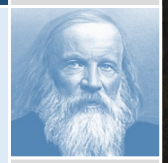
- accurate and detailed demand and supply forecasts,
- scenario planning and assessment,
- simultaneous planning optimization along the range of KPIs and planning levels, and
- actuation of multidimensional plans into operational schedules,

→ to determine the best possible outcomes of workforce planning decisions.



COMMANDMENT	VII

BALANCE YOUR WORKFORCE DEMAND AND WORKFORCE SUPPLY BY CONSENSUS BETWEEN THE BUSINESS AND HR



There exists everywhere a medium in things, determined by equilibrium.

Dmitri Mendeleev



Both business an HR are continuously working on the understanding of the →

- workforce demand and flexibility,
- cost of workforce imbalance,
- workforce supply availability and quality, and
- costs of supply options,

→ to achieve a consensus by managing both demand and supply side of workforce.



COMMANDMENT	VIII

BASE YOUR TALENT MANAGEMENT DECISIONS ON OUTCOMES FROM THE WORKFORCE PLANNING SCENARIO OPTIMIZATION



Plans are only good intentions unless they immediately degenerate into hard work.

Peter F. Drucker



Workforce planning provides insights into talent management decisions on →

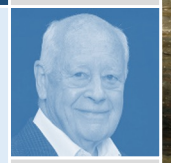
- talent sourcing, recruiting and attrition,
- learning, reskilling, talent development and coaching,
- competency and performance management, and
- succession planning and career management,

→ to ensure increasing effectiveness of talent management solutions.



COMMANDMENT	IX

ENABLE LEARNING AND CONTINUOUS ADAPTABILITY OF YOUR WORKFORCE PLANNING CAPABILITY



Intelligent organization has to be a learning organization, at every level.

Charles Handy



Workforce planning capability enables structured and continuous →

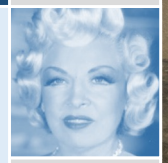
- management of workforce demand and supply assumptions,
- assessment of internal and external sourcing options,
- narrowing of solution bandwidths through experience, and
- translation of information to insights and insights to action,

→ to ensure increasing effectiveness of talent management solutions.



COMMANDMENT	X

IDENTIFY AND DELIVER MEASURABLE CONTRIBUTION OF WORKFORCE PLANNING TO BUSINESS PERFORMANCE



An ounce of performance is worth pounds of promises.

Mae West



Workforce planning capability provides an organization with a capacity to →

- improve demand response and workforce effectiveness,
- manage workforce costs and reduce HR cost to serve,
- ensure sustainable workforce solutions, and
- use workforce as a key value driver,

→ to be able to continuously deliver identifiable business benefits.



WORKFORCE PLANNING PROCESS

Workforce planning is a continuous process of analyzing the actual workforce performance, forecasting workforce demand and supply, developing and testing capacity planning scenarios, optimizing the planning solutions, and translating demand and supply management insights into action.

Workforce planning requires an iterative execution of the following steps →

ANALYSIS

Define the scope

- Analyze performance
- Define performance targets
- Define objectives and constraints
- Select target workforces

Acquire forecast input data

- Identify forecast data sources
- Assess demand / supply drivers
- Extract forecast relevant data
- Remove data inconsistencies

Analyze forecast input data

- Select forecast input data
- Translate data to a usable format
- Identify forecast relevant patterns
- Adjust / verify input data

FORECASTING

Generate baseline forecast

- Select verified forecast input data
- Determine forecast method
- Define and run baseline forecast
- Analyze baseline forecast outcome

Generate forecast scenarios

- Assess need for forecast scenarios
- Define and run forecast scenarios
- Analyze scenario outcomes
- Adjust / verify forecast scenarios

Define planning baseline

- Select / import forecast scenarios
- Analyze the demand / supply gap
- Import additional planning data
- Identify demand / supply levers

PLANNING

Define planning scenarios

- Select the planning model
- Configure demand / supply levers
- Configure matching levers
- Select planning scenario

Run planning scenario

- Configure simulation runs
- Select comparison parameters
- Run planning scenario simulations
- Analyze scenario outcomes

Optimize the plan

- Select scenario for optimization
- Configure optimization model
- Execute optimization
- Select optimal planning solution

ACTUATION

Actuate the plan

- Define priority interventions
- Define implementation roadmap
- Execute demand interventions
- Execute supply interventions

Schedule resources

- Select actual demand and supply
- Configure scheduling model
- Execute scheduling model
- Allocate resources

Monitor execution

- Register activities and time
- Monitor planning implementation
- Evaluate impact of interventions
- Assess planning assumptions

WORKFORCE PLANNING GOVERNANCE

The governance of workforce planning should ensure that the process is fully aligned with business planning, operations, and talent management processes to achieve a balance by managing both the demand and supply side of the workforce.

Workforce planning requires the governance of →

ANALYSIS	FORECASTING	PLANNING	ACTUATION
• Process interfaces with business and HR organization • Data quality, the meaning behind the data, and the acceptance of data interpretation by all stakeholders • The alignment of workforce planning with business priorities in relation to workforce	• Long-term and mid-term workforce demand and supply forecasting process • Assumptions behind demand and supply drivers • The alignment of workforce planning with business planning processes	• Long-term and mid-term workforce planning and optimization process • Decisions relating to demand and talent management scenarios and intervention options • The alignment of workforce planning with operations and talent management processes	• Implementation process of demand management and talent management interventions

WORKFORCE PLANNING SKILLS

People running workforce planning should know and understand the characteristics of the current workforce, dynamics and options in matching demand and supply, the processes involved, as well as have a set of deep analytical skills.

People running workforce planning require the following understanding and skills →

ANALYSIS	FORECASTING	PLANNING	ACTUATION
• Understanding of workforce characteristics and workforce demand and supply related processes • Skills for querying and analyzing detailed and complex sets of workforce demand and supply data, in relation to workforce planning and business performance objectives and targets	• Understanding of the impact different market, business, and workforce developments might have on the nature of workforce demand and supply in the future • Skills for running and interpreting comprehensive statistical and predictive models to generate workforce demand and supply forecasts	• Understanding of possible impacts on business from the imbalance between workforce demand and supply, as well as possible impacts different demand or supply (talent) management interventions might have on closing the demand and supply gap • Skills for running and interpreting prescriptive simulations and scenario optimizations and translating the results into actionable plans	• Skills for implementing, monitoring and interpreting effects of executing demand and talent management interventions (in different parts of the business)

WORKFORCE PLANNING ANALYTICS TECHNOLOGY

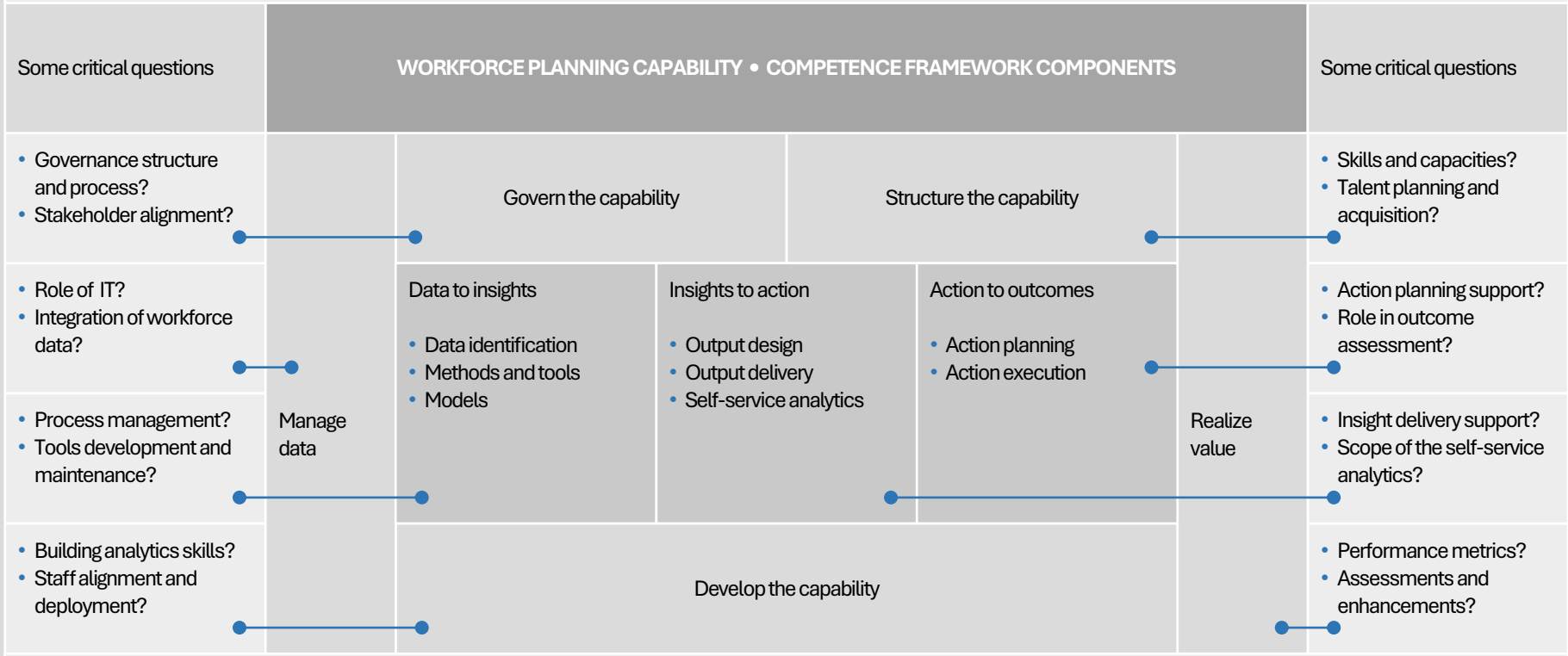
Descriptive level of analytics helps us understand ‘what has happened’, predictive level of analytics helps us determine ‘what might happen’, and prescriptive level of analytics helps us plan and control ‘what should happen’.

Different levels of analytics are addressing different workforce planning related questions →

ANALYSIS	FORECASTING	PLANNING	ACTUATION
Descriptive analytics • Descriptive reporting through business intelligence dashboards • Data queries and deep drill-downs	**Predictive** analytics • Predictive modeling, forecasting, and trend extrapolation • Data mining and machine learning	**Prescriptive** analytics • Prescriptive simulations with evolutionary algorithms • Constraint based algorithms and heuristic based optimization	Actuation technologies • Rostering, scheduling, and allocation of workforces and other resources • Activity registration and monitoring of execution
What has happened?	What could happen next?	What is going to happen if?	**DATA** to **INFORMATION**
What is exactly the problem?	Why is this happening?	What are the implications?	**INFORMATION** to **INSIGHTS**
What actions are needed?	What are we missing?	What is the optimal solution?	**INSIGHTS** to **ACTION**

WORKFORCE PLANNING CAPABILITY COMPETENCE FRAMEWORK

When developing and shaping their workforce planning capability an organization needs to define its own (specific) capability framework and address several critical questions reflecting choices to be made within each of the framework components.

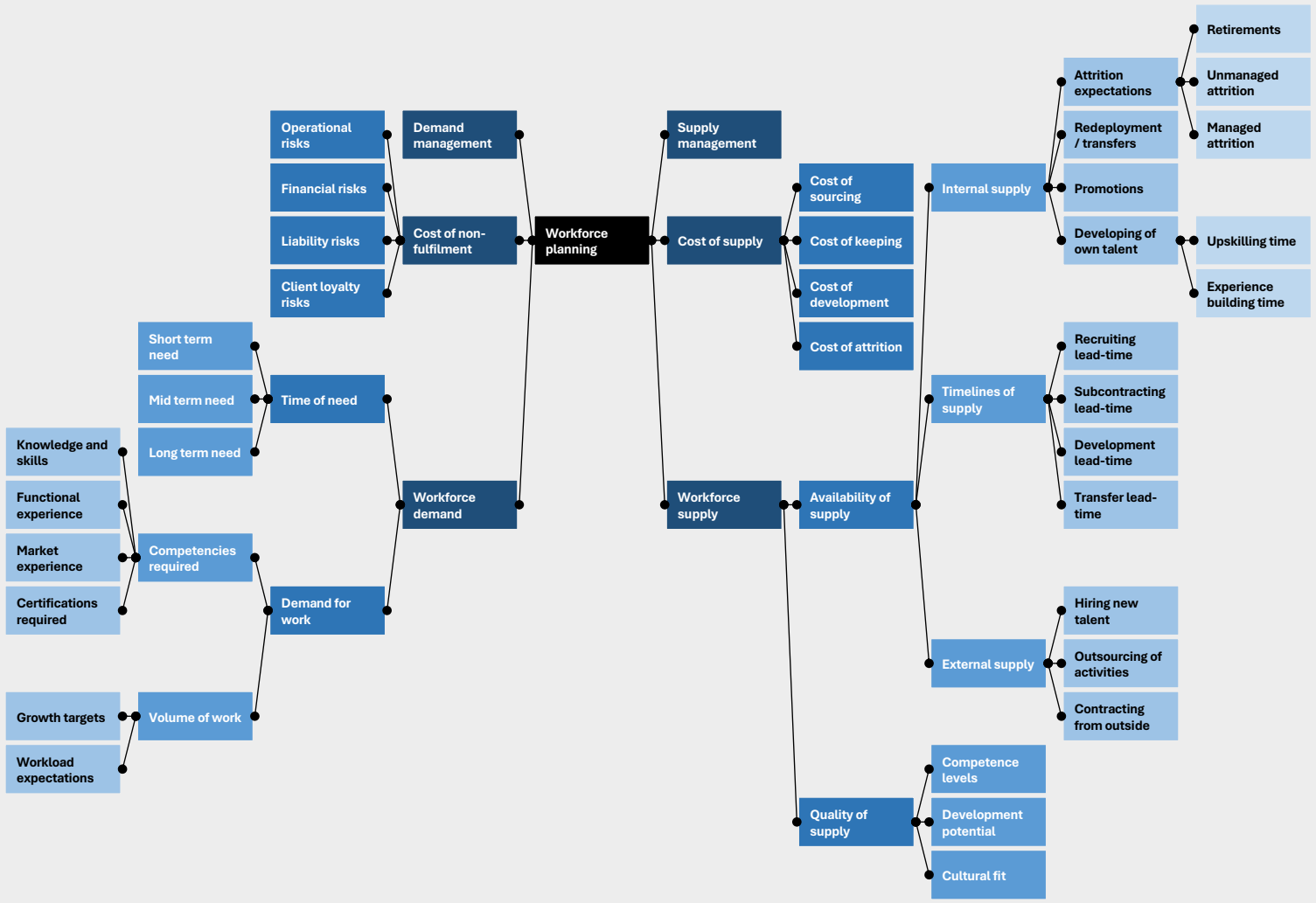


WORKFORCE PLANNING DEMAND AND SUPPLY DRIVERS

There are several drivers influencing the balance between the workforce demand and supply and having an adaptable workforce planning capability requires continuous evaluation and update of assumptions behind these drivers.

WORKFORCE DEMAND DRIVERS

WORKFORCE SUPPLY DRIVERS



STRATEGIC WORKFORCE PLANNING



THANK YOU

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