

Where the Wheels Fall Off

How to Keep Your Dynamic Strategic Workforce Plan Rolling Forward

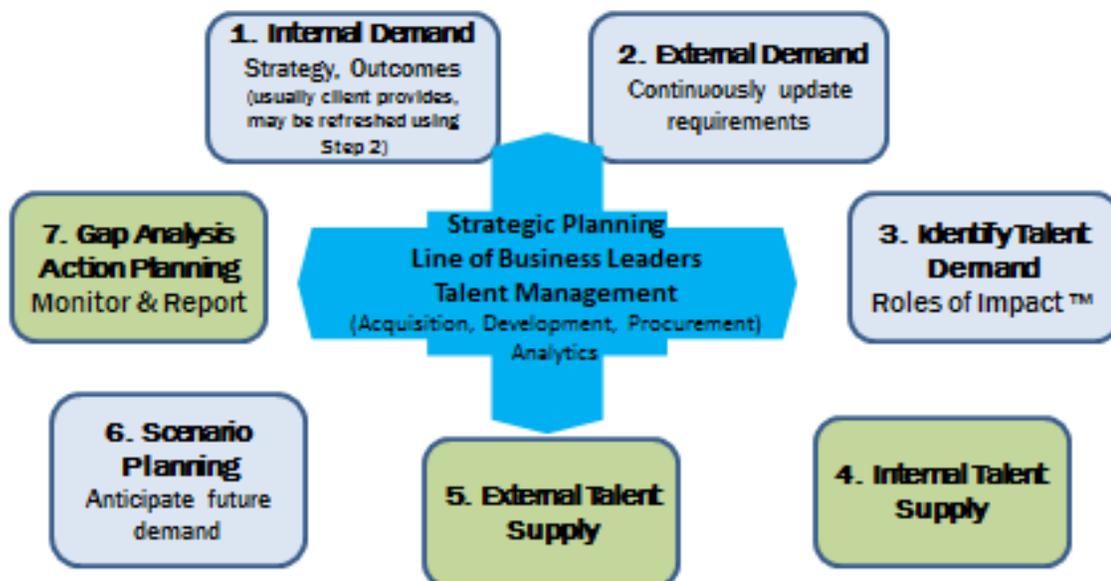
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If your company's fiscal resolutions include achieving strategic initiatives in a time-sensitive fashion, you are attuned to the dynamic nature of strategic workforce planning. If the wheels have fallen off along the way, in hindsight you may recognize what was overlooked. Can you get workforce planning on track again? Of course!

You can't do everything at once, but you can do one thing now. Here are twelve best practices gleaned from strategic workforce planning implementations. Apply one guiding principle each month and by the end of the year your organization will have developed the agility to maintain competitive advantage.

1. **Use a working definition for strategic workforce planning that resonates with all stakeholders.** Here's mine (stripped of HR jargon): Strategic workforce planning is a repeatable measurable business process that ensures strategic initiatives are implemented in a time-sensitive fashion. This process can be operationalized and scaled (see Figure below).

7 Steps Operationalize Strategic Workforce Planning as a Business Process



2. **Strategic workforce planning is a team effort, led by the line of business leader.** Each line of business leader has MBOs (strategic initiatives); hence, that leader is the best person to lead strategic workforce planning for their business unit. However, strategic workforce planning is a team sport, including strategic planning, finance, analytics, human resources business partners, HR centers of excellence, procurement, and internal advisors (see next guideline).

3. **Strategic workforce planning is dynamic; build updates into the process.** Trends that are continuing, increasing and emerging can affirm, refine or revise your strategic initiatives. Tap internal (and external as needed) subject matter experts for a quarterly scan of economic, political, industry-niche, societal, technology, legal-regulatory, and environmental trends. Then update your SWOT and strategic initiatives accordingly.

SWP STEPS 1-5: Sample Worksheet

<p>STEP 2: External Demand (“EPISTLE”)</p> <ul style="list-style-type: none"> • Economic conditions • Political actions • Industry niche • Societal changes • Technology interventions • Legal regulatory compliance • Environmental 	<p>STEP 5: External Supply Labor Market</p> <ul style="list-style-type: none"> • National and local data for talent • Industry-specific trends and patterns • Competitive employer activity • Ability to attract and hire top talent • Time to source Roles of Impact™
<p>STEPS 1 & 3: Internal Demand Organizational Strategy</p> <ul style="list-style-type: none"> • Business goals & strategic initiatives: <ul style="list-style-type: none"> ○ Program Scalability ○ Strategic partnerships with providers as force multipliers ○ Continuum of services ○ Quality/Impact Reporting • Roles of Impact™ and Required Competencies 	<p>STEP 4: Internal Supply: Roles of Impact™</p> <ul style="list-style-type: none"> • Retention by Perf Rating • Retention by Tenure • Capabilities/ Perf Rating by tenure • Engagement by Position Tenure

4. **Don’t throw operational workforce planning out with the bath water.** Operational workforce planning tracks total headcount as part of SG&A expense. Operational workforce planning typically focuses on headcount control; strategic workforce planning focuses on position control (see next guideline). Strategic workforce planning enhances operational workforce planning because it looks beyond fiscal year forecasts to anticipate probable scenarios 18-plus months out.

5. It's not possible to manage a workforce supply in the absence of a clarified demand. Typically 80% of key business results come from 20% of your organization. As a line of business leader, first determine which roles (not people) you will depend on to execute current strategic initiatives. These are your Roles of Impact™, the sole focus of strategic workforce planning. They are typically 10-20% of all roles, and they will change as strategic initiatives change (typically every 18-36 months).

A Role of Impact™ can be a new role, but even if it exists today, update and prioritize the prerequisite competencies required for the role. *Then* focus on identifying the people who would be best suited for those roles (see Figure below).

Clarify Talent Demand (Roles of Impact™) Organizational Assessment Excerpt

	0 = Don't Know	1 = Strongly Disagree	2 = Disagree	3 = Agree	4 = Strongly Agree	Total
1) We have prioritized which jobs (roles - not people) are the most "critical to executing strategic objective deliverables.	5.26% 1	8.88% 0	15.79% 3	63.16% 12	15.79% 3	19
2) We can categorize most if not all of the other jobs (roles) in the division/department I support as "core" or "support" in relation to our division/department strategy.	5.26% 1	8.88% 0	26.32% 5	52.63% 10	15.79% 3	19
3) For critical roles, in the last six months, we have refreshed the competencies, skills, knowledge and abilities needed to deliver on strategic objectives.	10.53% 2	5.26% 1	42.11% 8	36.84% 7	5.26% 1	19
4) I have seen critical roles change as our strategic objectives have changed.	5.26% 1	8.88% 0	21.05% 4	57.89% 11	15.79% 3	19
5) As our strategic objectives have changed, I have seen brand new critical roles emerge that did not previously exist.	5.26% 1	5.26% 1	31.58% 6	52.63% 10	5.26% 1	19

Which roles are critical to execute strategic initiatives?

Not intuitive
Not leader roles
Independent of headcount
Independent of compensation

Roles of Impact™

- ❖ These roles deliver the highest return on your investment
- ❖ Sole focus of strategic workforce planning
- ❖ Typically 10-20% of roles (not headcount)
- ❖ How do we identify these roles?

6. Don't be confined by existing job descriptions. Today's business problems require interdisciplinary project teams of members with complementary strengths. Work with HR to build talent pools with the competencies required to implement a strategic initiative. Draw from these talent pools to build teams so that individual members can leverage their strengths.

- Vacancies in Roles of Impact™ will cost you.** Roles of Impact™ should be exempt from budget-driven hiring slowdowns. Dedicate a recruiter to continuously source talent for these roles, so there are two-three people in orbit for every Role of Impact™ headcount. Track the acceptance rate of offers to first choice candidates for Roles of Impact™. Keep in mind that talent supplies are shrinking, so don't wait for the perfect person— instead, bring on people whose passions align with the priority competencies and invest in developing the rest, leveraging strengths on the team.

Talent Supply: Baseline cost of a vacancy



Roles of Impact™ & feeder roles base salary	High Performer Value Multiplier 2-3 x base	Impact per day	Days vacant	Cost of vacancy
Senior Medical Officer - P5 [\$248,800]	Critical role multiplier x 3 = 746,400	\$ 2045	2 vacancies: 1 filled by temp 1 vacant 23-4-14	≥60 days = \$122,700
Medical Officer -P4 [\$215,000] (feeder group for critical role)	Feeder role multiplier x 2 = 430,000	\$ 1178	3 vacancies: 1 since 27-1-14 1 since 30-4-14 1 being reclassified since applicant screening Dec 2013	90 days 1 position = ≥\$106,020
Head Nurse - P3 [\$173,400]	Critical role multiplier x 3= 520,200	\$ 1425	1 vacancy: 90 days as of 17-4-14	≥60 days = \$85,500
Nurse - G6 [\$98,500] (feeder group for Head Nurse)	Feeder role multiplier x 2 = 197,000	\$ 540	0	
ACTION PLAN: Fast track filling vacancies in Roles of Impact™				> \$314, 200 !!

- Dig into the data to manage talent in Roles of Impact™.** The people in Roles of Impact™ are your strongest asset. Know the baseline vacancy rate, tenure, capability and engagement levels for each Role of Impact™; these metrics are essential for gap analysis and subsequent action planning. Research the projected job growth rate nationally and globally for each role. If working virtually is not an option, know the talent supplies in relevant geographic areas.
- Use metrics as a management tool.** Look for correlations between talent data and business results. Identify root causes of pain points that impact making progress. Revisit trends to alert the business of pending workforce problems and threats before they occur. When a leader uses a talent dashboard as a management tool under dynamic conditions, s/he knows what to continue, do more of, do less of, or what to stop doing to drive strategic initiatives forward.

10. It is better to be ready than to get ready. Every quarter refresh scenarios to anticipate challenges 18-plus months in advance that will affect the success of people in Roles of Impact™. Use baselines to forecast a “no change future state” if you do nothing to address these challenges. Apply a [VUCA approach](#) to identify a targeted future scenario. Prioritize gaps between the current state and targeted future state, then build a business case for actions to close the gaps.

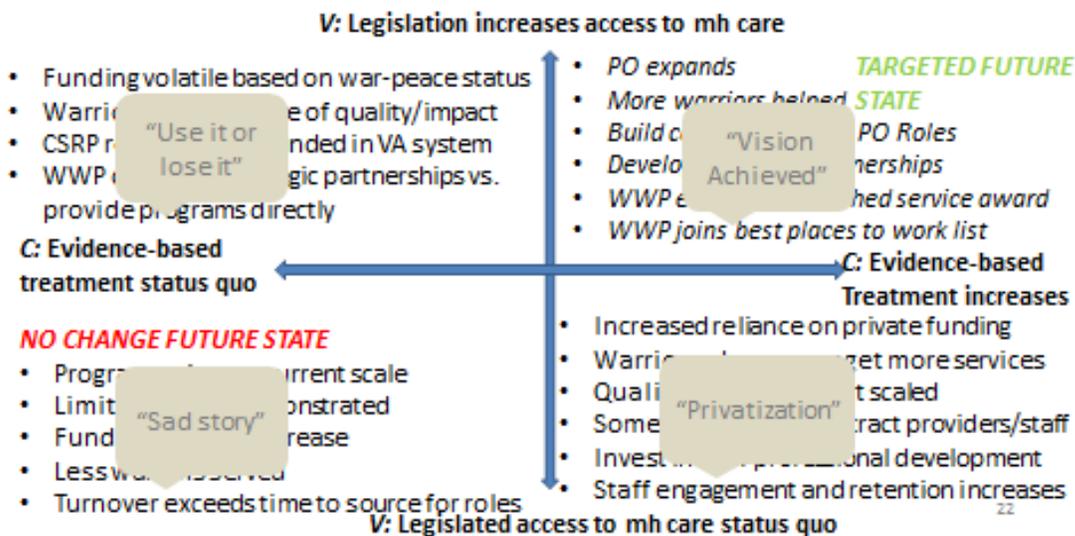
Scenario Planning Example

Volatility- Build resources for preparedness
Complexity- Increase resources/specialists

- ❖ Review each narrative to identify **NO CHANGE FUTURE STATE AND TARGETED FUTURE STATE**
- ❖ Give each Narrative a Short-cut Name

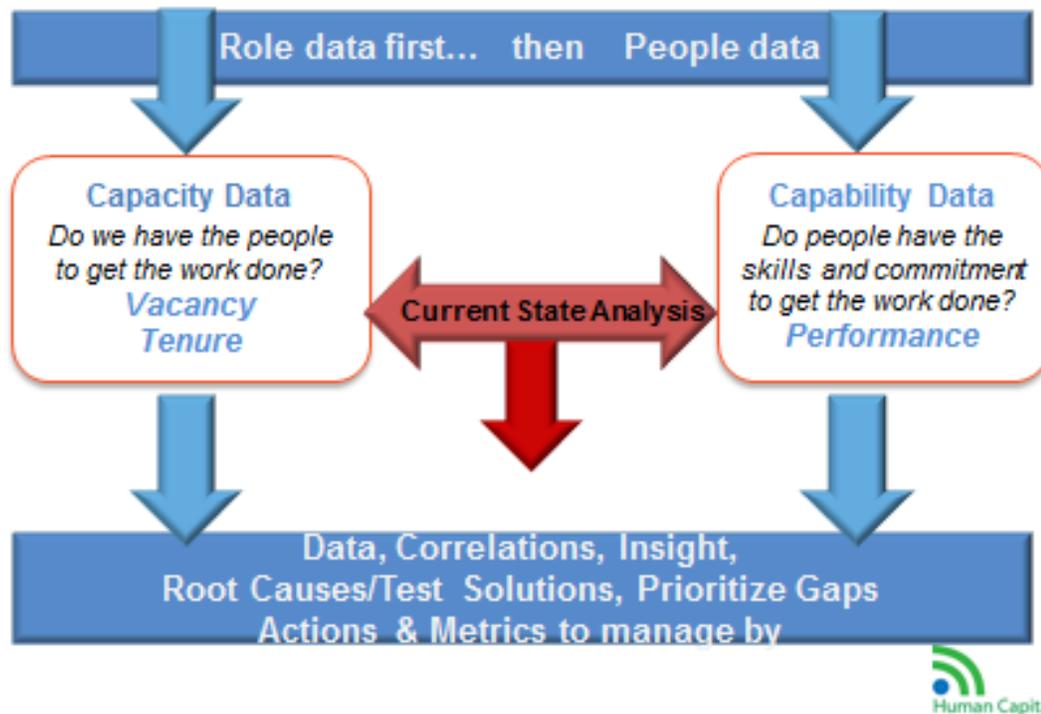
Bulleted scenario narrative describes:

- Impact on CSRP Program
- Impact on clients served
- Impact on Coordinator & Specialist Roles of Impact™
- Impact on workplace



11. Manage and protect your investments. Prepare managers to coach people in Roles of Impact™. Hold managers accountable to engage and retain people in these roles, because they are critical to implementing strategic initiatives in a time-sensitive fashion. Invest to close capacity gaps (vacancy rate, tenure) and capability gaps. Unleash the passion of people in Roles of Impact™; ensure they are stimulated by team members with complementary strengths. Employ proven change management to ensure teams deployed on strategic initiatives get sufficient support.

STEP 7: Gap Analysis



12. Scale and operationalize. Plan to capture data and roll up metrics for interdependent lines of business so leaders can adopt a balanced scorecard to execute strategic initiatives. Capture stories about milestones of success, which are essential to maintain momentum and overcome barriers.

Compare your current practices with the above guidelines. When you agree that you regularly implement these best practices, you've evolved from reactive workforce scrambling to embedding strategic workforce planning as an ongoing business process– congratulations!

Assess your organization's readiness for strategic workforce planning. For a complimentary consultation, please contact joy.kosta@human-capital-strategy.com