**STRATEGIC WORKFORCE PLANNING**

Strategic Workforce Planning is the process of analyzing, forecasting and planning workforce supply and demand, assessing gaps, and determining targeted talent management interventions to ensure that an organization has the right people – with the right skills in the right places at the right time – to fulfill its mandate and strategic objectives.

Strategic Workforce Planning is composed of six phases:

1. Strategic Direction
2. Supply Analysis
3. Demand Analysis
4. Gap Analysis
5. Solution Formulation
6. Monitoring Progress

When properly implemented, workforce planning ensures an organization has the right people with the right skills in the right places at the right time. These factors, people, skills, positions, and timing, need to be aligned to ensure your organization is able to continue to meet its mission.

Workforce Planning can help solve workforce challenges like budget cuts, skill gaps, change in mandates etcetera.

1. **STRATEGIC DIRECTION**

Determining the strategic direction for your workforce plan involves understanding key mission goals and future objectives set by organization leadership and how the workforce needs to be aligned to achieve them.

**Questions to consider:**

* What are the expected program changes over the next 1-3 years? What will drive these changes?
* What are the short-term and long-term plans/strategies?
* What are the specific workforce challenges the organization is expected to face in the short and long-term?
* What challenges exist in the emerging market, economic and political environments?
* What legislative, policy or regulatory changes may impact your organization?

1. **SUPPLY ANALYSIS**

Conducting a supply analysis involves understanding the current workforce and how it is projected to change over time, due to attrition and other trends. This phase is about painting a picture of the organization’s workforce terms of the right number of people with the right skills.

**Questions to consider:**

* How well does the current workforce align/support your business strategy?
* How many employees are at each organizational level?
* What are your attrition rates? How will turnover affect your organizations ability to deliver services?
* What is the current distribution of employee years of service?
* How much of your workforce will be retirement eligible in the coming years? Are these individuals in leadership/mission critical/hard to fill positions?
* Will employees who have left be replaced? If so, will it be done with internal or external hires?
* What are the costs of replacing talent internally vs. externally?

**Examples of data types to collect and consider at this step are:**

| * Number and types of employees | * Pay grade |
| --- | --- |
| * Salary and benefits | * Competencies |
| * Workforce diversity (age, gender, race, etc.) |  |
| * Years of service |  |
| * Retirement eligibility | * Turnover data |
|  |  |

1. **DEMAND ANALYSIS**

Conducting a demand analysis involves understanding the amount and type of work the organization has historically handled, currently handles, and/or anticipates handling at a specific point in the future. This information is used to project the number of staff resources (headcount and skills) needed to perform work in various job functions, taking into consideration current workload and emerging drivers.

**Questions to consider:**

* How is workload measured in the organization? What are the units of measurement?
* How many people does it take to accomplish the work? Is this anticipated to change in the future due to efficiency gains or program changes?
* Based on the strategic plan (or other projection of work), how much work is anticipated per year?
* Does the supply of employees meet the anticipated demand?

1. **GAP ANALYSIS**

This phase involves understanding the gaps between workforce demand and supply and to define top priority gaps with the greatest impact on organizational performance. Depending on your particular supply and demand analysis, you could have workforce gaps in different areas such as skills, competencies, staff numbers, location, occupations, etc.

**Questions to consider:**

* What gaps do you see between your workforce supply and workforce demand data?
* Which gaps are most critical considering your strategic goals?
* How would you prioritize your gaps in terms of what to address first?
* Which gaps are most difficult to close? Easiest?
* Do some gaps have more of an impact on organizational performance than others?

**Common types of workorce gaps:**

* Skills - Current staff do not have the skills needed to accomplish the work that needs to be done.
* Staffing Level - Current staffing levels do not meet the required workload demand.

1. **SOLUTION FORMULATION AND IMPLEMENTATION**

Now that you have conducted a supply and demand analysis and determined your critical gaps, you are ready to determine the appropriate workforce interventions to close those gaps and enable your organization to meet its strategic goals.

**Questions to consider:**

* What existing workforce intervention strategies can you leverage?
* Do you have multiple critical gaps? Do you need a multi-pronged approach?
* What factors might impede the success of your strategy (laws, organizational policies, etc.)?
* What will the short-term implementation activities be? What will the long-term activities be?

**Examples of intervention strategies:**

| * "Right-Size" programs | * Consolidate/centralize functions |
| --- | --- |
| * Administrative efficiencies | * Re-engineer business processes |
| * Hiring controls | * Leveraging technology |
|  | * Strategic Sourcing (outsource to 3rd parties) |

1. **MONITORING AND EVALUATION**

Now that you have implemented your intervention strategy, how do you tell if it worked? It is important to regularly monitor the performance of your implemented workforce planning solutions and their impact on the gaps they were designed to address, and to continuously improve solutions to maximize their effectiveness. As the strategic direction, workforce supply, and workload demand changes over time, strategies need to be updated accordingly.

**Questions to consider:**

* How will workforce solutions be monitored and how will progress be measured? What metrics or key performance indicators will be used?
* What are the implementation’s critical success factors?
* How will revisions to the approach be implemented? Have there been changes in the internal or external business environment that would cause the plan to need revision?
* Has the organization established processes to collect relevant workforce data and trends for this plan?

**Techniques to help you evaluate progress:**

* Program process reviews
* Employee questionnaires or assessments
* Customer questionnaires or assessments
* Meetings, surveys, focus groups
* Organization performance assessments
* Lessons learned sessions

**STRATEGIC WORKFORCE PLAN TEMPLATE**

**STAKEHOLDERS INVOLVED**

| **List of Internal and External Stakeholders** |  |
| --- | --- |

**STRATEGIC DRIVERS**

| **Short and long-term organizational goals** |  |
| --- | --- |
| **Expected program changes over the next 1-3 years and what drives these changes** |  |
| **Specific workforce challenges the organization is expected to face in the short and long-term** |  |
| **Challenges in emerging market, economic, and political environment** |  |
| **Stakeholder engagement strategies** |  |
| **Upcoming legislative, policy, or regulatory changes that may affect organization** |  |

**SUPPLY ANALYSIS**

| **Current workforce demographic** |  |
| --- | --- |
| **Assessment of workforce alignment/support to current business strategy and needs** |  |
| **Number of employees at each organizational level** |  |
| **Attrition rates and the effect on organization’s ability to deliver services** |  |
| **Current distribution of employee years of service** |  |
| **Overall workforce retirement eligibility in (X) years** |  |
| **Workforce retirement eligibility in (X) years for leadership/mission critical/hard to fill positions** |  |
| **Plans (if any) to fill behind employees who have left (recruitment sources, internal/external hires, grades, etc.)** |  |
| **Costs of replacing talent internally vs. externally** |  |

**DEMAND ANALYSIS**

| **Plan or strategy to measure workload in the organization (include units of measurement)** |  |
| --- | --- |
| **Amount of work anticipated per year, based on the strategic plan (or other projection of work)** |  |
| **Number of people needed to accomplish current workloads.** |  |
| **Any anticipated workload changes due to efficiency gains, program changes, or other circumstances** |  |

**GAP ANALYSIS**

| **Describe the gaps between your workforce supply and workload demand** |  |
| --- | --- |
| **Identify what gaps are most critical considering the strategic goals** |  |
| **Prioritize the gaps in terms of what to address first, second, third, etc.** |  |
| **Identify which gaps are most difficult and easiest to close** |  |
| **Identify which gaps have more of an effect on organizational performance** |  |

**SOLUTION FORMULATION AND IMPLEMENTATION**

| **Identify any existing workforce intervention strategies** |  |
| --- | --- |
| **State the most critical gaps to address** |  |
| **Assess if the solution need a multi-pronged approach (if so, describe possible approaches)** |  |
| **Identify any factors that might impede the success of the strategy (laws, organizational policies, etc.)** |  |
| **Describe short-term and long-term implementation activities** |  |

**MONITORING AND EVALUATION**

| **Describe how workforce solutions be monitored and how progress will be measured (include any metrics or key performance indicators)** |  |
| --- | --- |
| **Identify any factors critical to the success of workforce planning and implementation efforts** |  |
| **Describe how revisions to the approach will be implemented. Identify any changes in the internal or external business environment that would cause the plan to need revision** |  |
| **Describe the organization’s established processes to collect relevant workforce data and trends for this plan** |  |

[**THE FOREGOING TABLE CAN BE VARIED TO THE COMPANY’S NEEDS**]