



# Strategic Workforce Planning

April 2021

# What is Strategic Workforce Planning?

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## Strategic Workforce Planning



**Strategic Workforce Planning** is a process that is shaped by organisational strategy and ensures the right number of people with the right skills are in the right place at the time needed to deliver short and long term business objectives cost effectively

### The Strategic Workforce Plan:

- Looks forward for a minimum of 3 years, but can look up to 10 years ahead
- Forms the basis for prioritising, developing and funding people practices

# Risks that are minimised through strategic workforce planning

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Critical skills  
shortage & newly  
emerging skills needs

Reaching maximum  
capacity

Soaring workforce  
costs

Workforce  
investment decisions  
not aligned with  
strategic objectives

We need to  
future proof  
the business!

.. the right people with the right  
skills at the right cost in  
the right roles at  
the right time

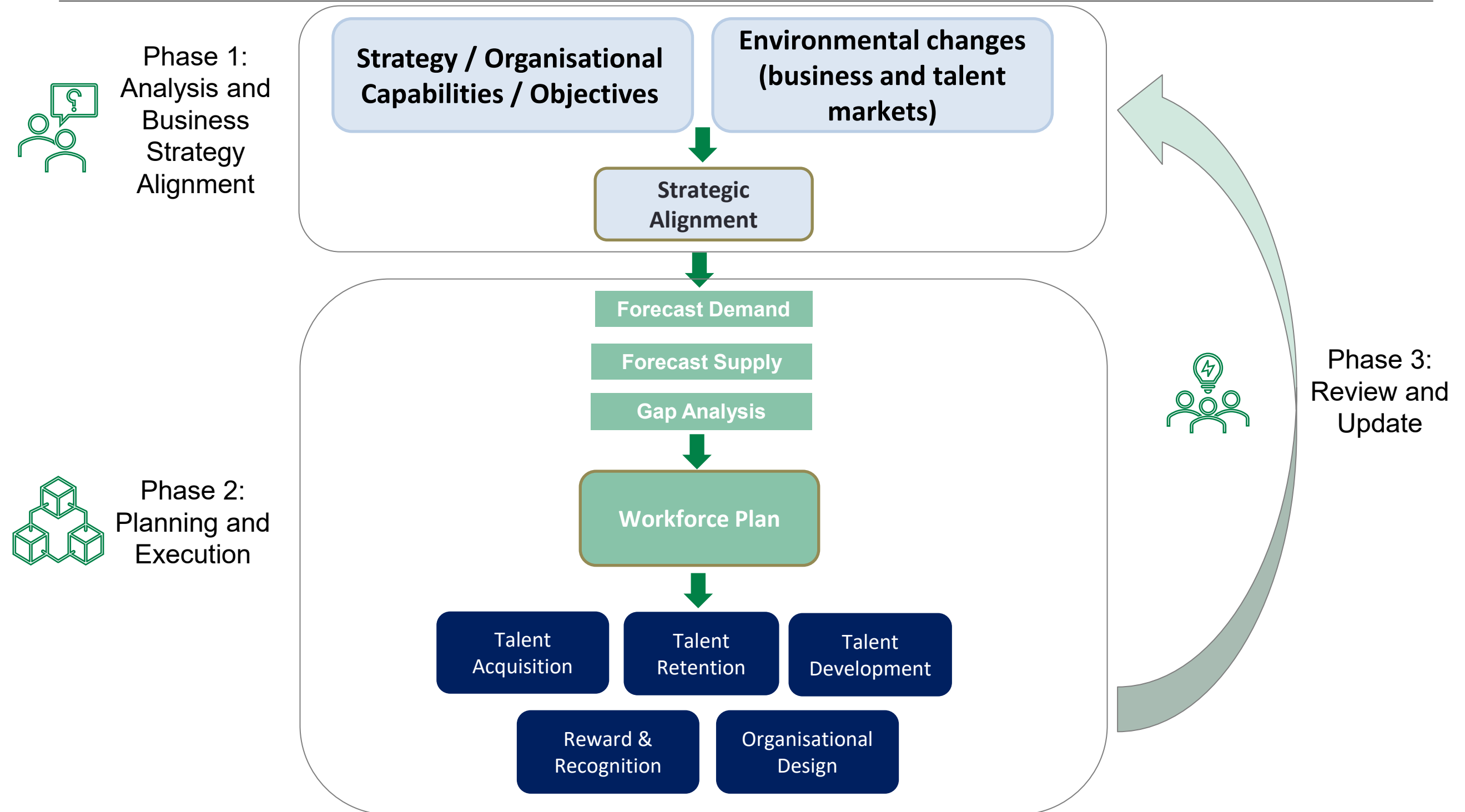
Competitive market  
& weak talent  
market

Over-reliance on  
temporary workers

Failure to achieve  
economies of scale

Lack of long term  
succession planning

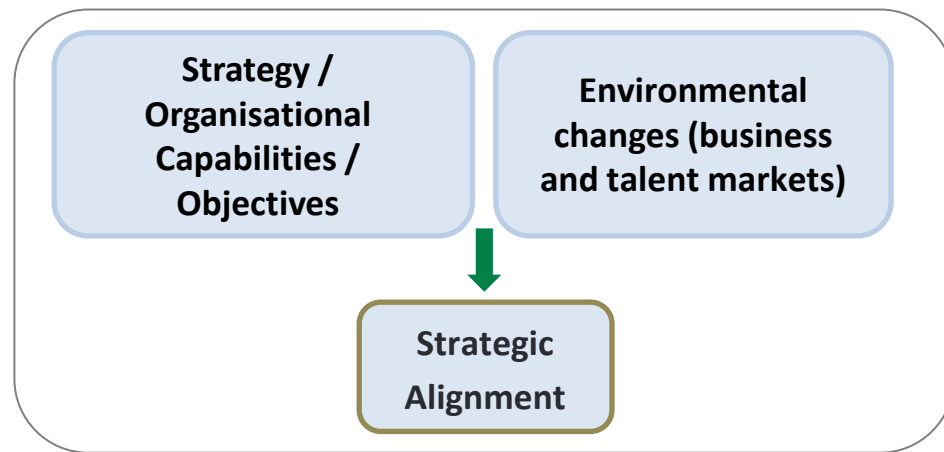
# What is the Strategic Workforce Planning Process?



A 'future view' will enable a longer term (minimum 3, up to 10 years) & holistic understanding of workforce implications, shifting away from fire fighting to making a strategic impact



# Phase 1 – Analysis and Business Strategy Alignment



## Tools to support:

- Strategic Planning and Prioritising tools (SWOT, PEST etc.)??
- Business Objective Setting tool??
- Identifying Organisational Capabilities tool?
- Scenario planning tool
- Critical role identification matrix
- Ideas to de-risk critical roles
- Midlife MOT questionnaire

## Inputs:

- Strategic Goals, Measurable Objectives, Priorities & Direction
- Key organisational capabilities (any technical competencies or business capabilities that drive results and competitive advantage e.g. lean operations, innovation)

## Activities and Considerations:

Scan the environment and review impact of current and potential future changes in business and talent markets e.g. changing customer needs, technological advances:

- Consider how these could affect organisational capabilities
- Develop different scenarios to factor into the plan

Review internal factors e.g.:

- Any recurring problems in finding and keeping talent (especially those that impact delivery of business objectives)
- Needs of different functions
- Midlife MOT feedback from relevant employees

Identify critical and pivotal roles for each talent segment, taking into account different scenarios:

- Uniqueness (of skills)
- Value created
- High volume required

Conduct risk analysis for critical roles:

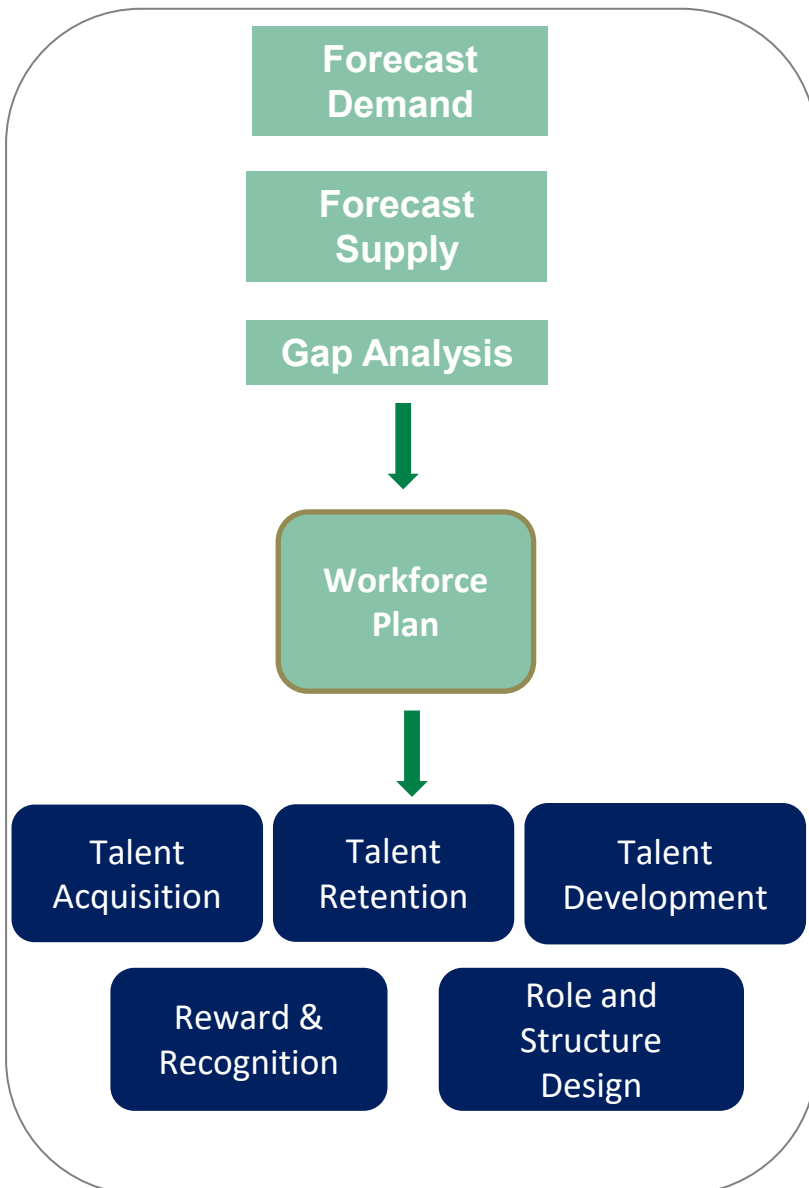
- Deconstruct the work for each critical role (individual tasks and skills needed)
- Identify/quantify risks
- Assess how to de-risk e.g. move some tasks to less critical roles, outsource if not in value chain

## Outputs:

- Critical Skills & Roles to deliver strategy and objectives in next 3 - 10 years



## Phase 2 – Planning and Execution



### Inputs:

- Outputs from Phase 1
- Historic, current and future talent trends in your business and industry
- Employee retention data
- Details on current talent pipelines e.g. Apprenticeships – numbers planned and effectiveness

### Activities and Considerations:

Review historic, current and future talent trends and implications for supply and demand

Forecast demand for talent in critical roles in each talent segment for each year of the plan

- What demand will be generated by growth in demand, moves into new markets, turnover, retirements etc?
- How does this differ for each scenario developed in Phase 1?
- What are the reasons behind employee turnover and could these be addressed?
- Are there other ways to drive down demand?

Forecast supply for critical roles for each year of the plan

- What will the current talent pipelines deliver? Could effectiveness of these be improved?
- Are you considering traditional and non traditional sources of talent supply and tapping into the full diversity of your workforce to generate talent? Midlife MOT.
- How focussed are managers on finding and developing talent and succession planning, conducting the Midlife MOT discussions- could this be improved?

Conduct a gap analysis for each talent segment and determine whether you will need to increase, maintain or decrease the numbers and supply in each. What are the priority gaps?

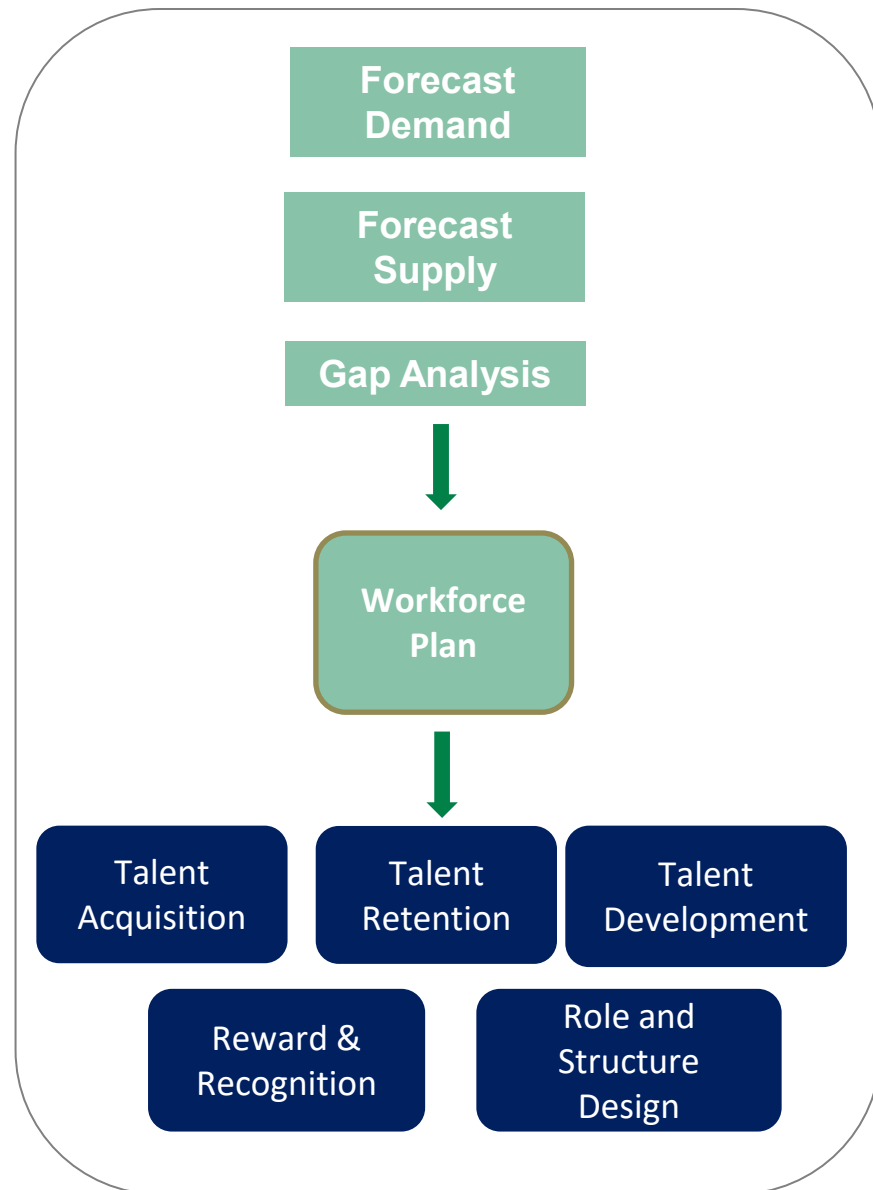
Establish a costed plan to design talent solutions that effectively close the prioritised gaps

- Determine whether to make, buy, rent, poach, borrow
- Ensure selected actions are captured in the Workforce Plan and are cost effective, affordable, actionable and can be completed on time
- Secure investment for the plans

Identify and communicate implications for other people/business plans e.g. Talent Development, Reward



## Phase 2 – Planning and Execution



### Outputs:

A clear workforce plan that details:

- critical roles and skills needed
- numbers of roles required at which locations and when
- costed and actionable solutions to deliver requirements
- How the workforce plan integrates with other plans e.g. talent acquisition, Midlife MOT retraining, learning and development

### Tools to support:

- Resource Forecasting Tool
- Pipeline Analysis Tool
- Midlife MOT questionnaire and discussion document



## Phase 3 – Review and Update Plans

### Inputs:

- Data on achievement against plan for review period
- Feedback on effectiveness of current pipelines
- Relevant feedback from business team meetings, succession plan meetings and the annual long term business planning process
- Any new data on talent trends (internal and external)

### Activities and Considerations:

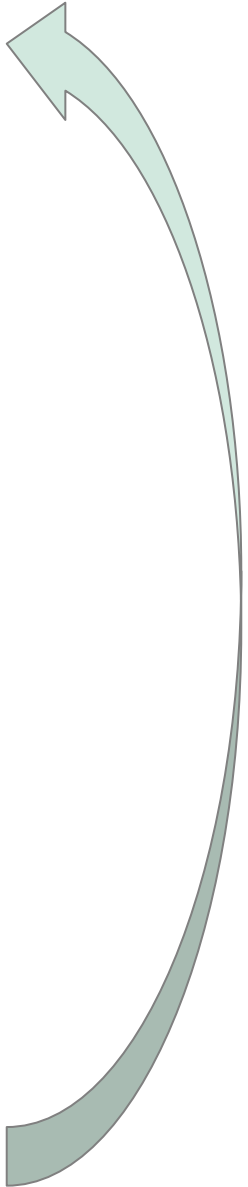
Review feedback and update plan accordingly  
Communicate changes to the plan

### Outputs:

- Updated workforce plan with amended solutions if required to reflect feedback from review period

### Tools to support:

- TBC





# What does good look like for Strategic Workforce Planning?

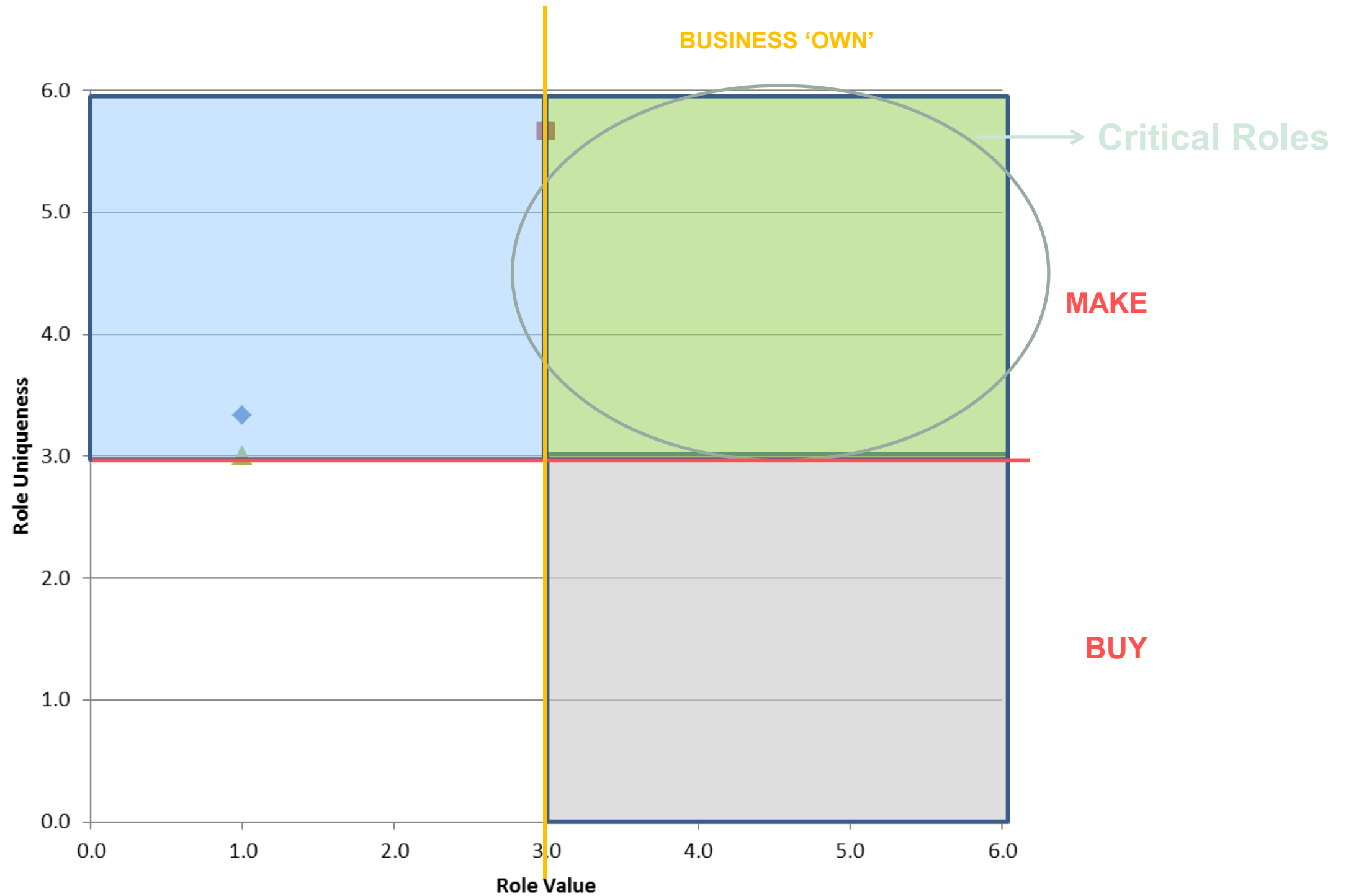
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- ✓ There is a clear and well communicated plan in place
- ✓ Investment decisions are targeted against delivery of the plan
- ✓ There are no big surprises as all scenarios have been considered
- ✓ The business is on track to achieve future strategic objectives

# APPENDICES (examples of tools)

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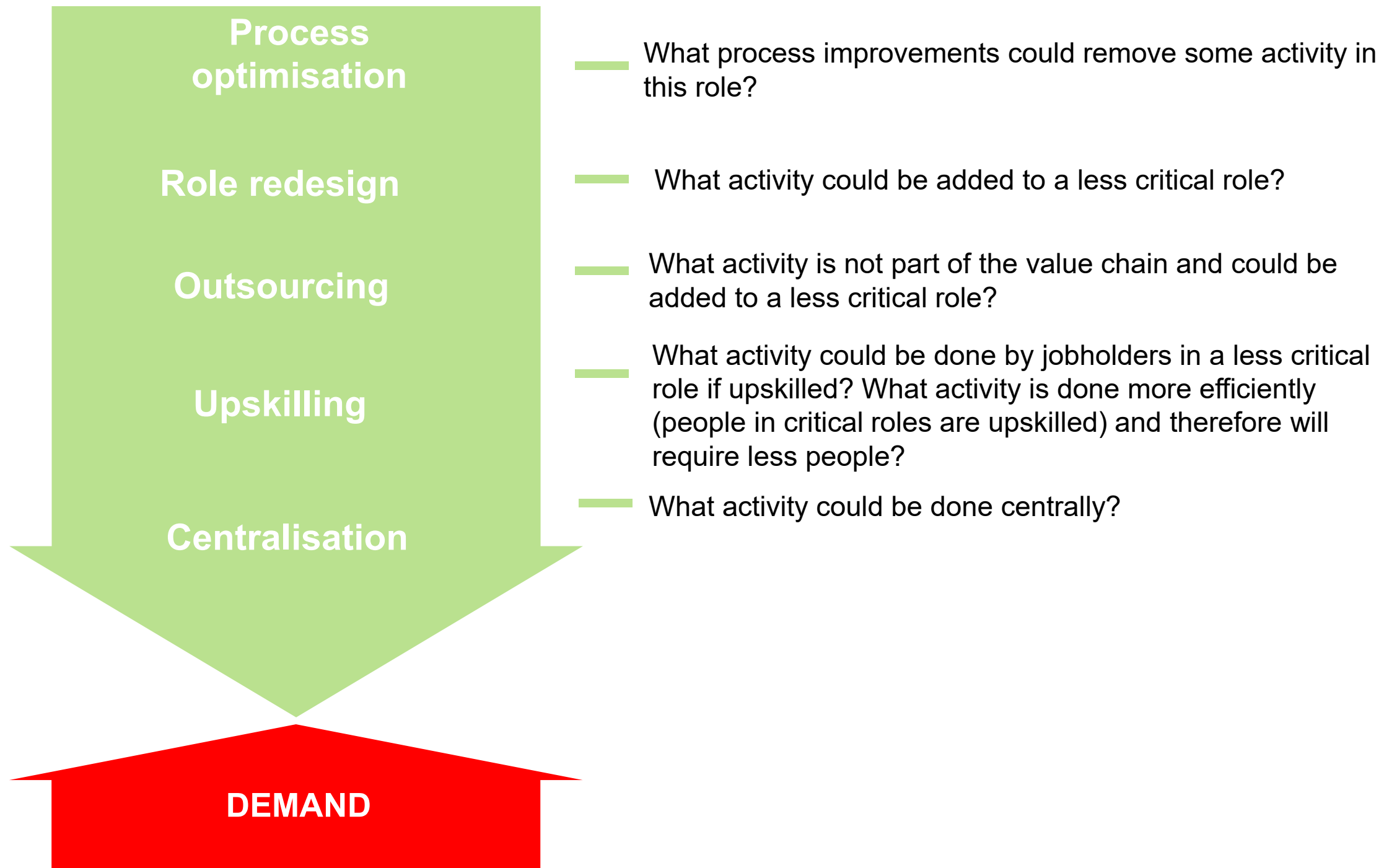
# Critical Role Identification Matrix



# Ideas to de-risk critical roles

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We need to continuously challenge ourselves to **drive down demand**



# Pipeline Analysis Tool

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Graduate Scheme

Apprenticeship Pathways

Internal Recruit:  
Midlife MOT

External:  
Inexperienced Hire

External:  
Experienced Hire

**Time**

**How long does each pipeline stage take?  
What drives this?**

**Cost**

**How much does it cost?  
What drives the cost?**

**Success  
Rate**

**What is the ratio between people entering  
and leaving this pipeline?  
What drives the number of leavers?**