

PERSONNEL NOTEBOOK

For Your Most Important Resource—The Human Resource

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WORKFORCE PLANNING

Part II – Looking At The Heart And Future Of Your Workforce

In the last issue of Personnel Notebook, we looked at the why and what of Workforce Planning (WP). This time we're going to focus in on the heart of WP and also scan out to the future to help us get a better picture of what we're planning for. We'll see what the world of work is most likely going to look like.

The Heart Of Workforce Planning

At the heart of Workforce Planning (WP), we will find the specific items HR will examine to start the WP process.

There is no standard format to fit all companies, all industries, and all sizes at all times. Sometimes the WP document focuses exclusively on recruiting. But as you become a larger, more complex company, you will find the following items becoming more important.

1. Forecasting and Assessment

Estimate the need for next year's specific skills. Include the comparative cost of developing within or recruiting experienced workers from outside. Include in your analysis, the company's growth rate, and expected revenues. Estimate the costs for recruiting or upgrading.

2. Succession Planning

Select the key positions in your company. Who is making things happen? Who is producing the company's core services or products? Identify those that would be the most difficult to replace. This may be because of their intricate knowledge of how your company operates or they may be your best salespeople, your Designers, your Mechanics or anyone that has extensive or unique skills. Is there someone on a career path? Is there an Assistant Manager or Supervisor working their way up? Each key position in the company should have someone developing under them

3. Leadership Development

Identify those people in your company with the highest potential. What coaching, mentoring, training or job rotation will you use to develop those potential leaders?

4. Recruiting

Estimate your need for recruiting new employees. Which positions, when will they be needed and where? What will that cost be and how long will it take?

5. Retention

Forecast your turnover. As a guideline, what was it last year? This year? Identify who you think is at risk and how to keep them.

6. Redeployment

Decide who, if anyone can or should be cross-trained. Who should be redeployed to another job in order to gain new skills? Who can learn from whom?

7. Contingent Workforce

How many employees will be needed when the season changes? When will you no longer need them? How can you better assure that they will return? Can you find them other employment while you're off-season? How likely is it that the big project you've been working on will come in? Ready for that hire-up?

8. Potential Retirement

Who is eligible? When? Who will replace them? What alternative work arrangements can be made to keep a potential retiree with you?

9. Career Path

Identify those people in key positions or those you will want to develop for the long run.

A. Identify where you see this person in 2 years, 5 years.

B. What will be the requirements for that position at that time?

C. What are the skills and qualifications of this employee now?

D. Identify the difference between B and C.

That difference is what you have to train for. That difference is this employee's career path. What will you need to provide that development? In what order will the training occur? Identify that time line and cost.

10. Back-Up

If you were to lose a key employee can you have a back-up ready to fill in? Who has been, or could be cross-trained to fill in that position? Should that back-up be an outsource to a vendor?

11. Internal Recruiting

Develop a job posting system, informing all employees of all positions. Give employees a chance to grow, to change jobs. They may also know someone to refer. The Mellon Foundation recently released a study showing that an external hire takes up to twice as long to reach full productivity as does an internal hire. On average, internal hires had 50% fewer unproductive days than did external hires. Where are the seed for the flowers you want to grow?

12. Market Changes And Forecasts.

Examine coming trends in the economy, your industry, your geographical area and in your company. What changes can you see coming? How can they affect your company? What's your competition going to be doing that will affect you? For example we know that the coming workforce is going to be more represented by older, Spanish speaking and Asian workers. Can you attract that workforce? Where will you find them? Can you hire or develop someone multi-lingual?

13. Develop A Skills Bank

Survey your employees. Ask them about their training, skills, experiences, hobbies and interests. Where do they see themselves in 2 years, 5 years? Have they ever had any shop classes, financial or technical courses, or computer training? Does anyone have an artistic background? Can that be of use? Is there a base there

upon which to build? Does anyone belong to a community organization that you may want to connect with, for charitable, community or business affiliation reasons?

If you can cross-reference all of these skills, interests and aptitudes into an electronic spreadsheet you may find many useful purposes for this new Skill Bank. For example, if your WP shows that you're likely to need a Mechanic within 1 to 3 years, you may decide to hire a fully qualified Mechanic at full wages when the time is right, or you may instead consider finding that skill base or that spark now from within and start developing him/her.

Also consider, is there an 'heir apparent', someone already aspiring to that position? If not, imagine what a Skills bank could do for you. Maybe someone in another department has taken 3 years of shop mechanics in high school, or had 2 years of military service in the motor pool. Maybe someone has a hobby of restoring/repairing cars. Does anyone speak a foreign language? A Skill Bank can be a treasure chest for your WP.

Look Towards The Future

Workforce Planning is about economics. Less downtime while trying to replace a lost skill and properly prepared people in place when and where you need them are rewards of a good WP. All this means efficiency, productivity, lower labor costs and an HR department that impacts the bottom line.

It requires everyone to begin looking into the future and prevent unwelcome surprises. It requires Managers to plan ahead and to consider alternative possibilities. It is also an integration of HR into the management system of the entire company

Workforce Planning is a valuable tool that has been underused and under appreciated.

What Is The Future?

The future, of course, will be different for each industry, each geographical area and each company. But the major trends that we can see now will almost certainly affect us all.

These major trends are telling us what to watch for, what to plan for.

1. Labor Shortages

Almost everything we analyze tells us that this is the wave of the future. Most of the world and most of the U.S. is heading for a major labor shortage. The Bureau of labor Statistics predicts that by 2010, we will have 10.3 million more jobs than people to fill them. The country, the area and the employers who have a sufficient and well-trained workforce are going to be the economic winners.

Those companies that do their planning now, training now, identifying career paths and retention programs now, will be ahead of the game when that crunch starts.

2. Reengineering

A big word, but all it means is that companies are going to be redesigning how the work is done. This is to maximize efficiency, effectiveness and flexibility.

3. Restructuring

Some work areas will still need an organizational chart to define the structure of the work. But much of the real work will be done by ad hoc, assembled as needed work teams.

4. Technology

No job will be unaffected by higher technology. How, where and when you work is in flux and will affect everything in the workplace.

5. Knowledge Work

There will be less low-skill work! More work will require the combination of knowledge, skill and information.

6. Diversity

Very few employers are still trying to recruit the 18 to 35 year old white male with a high school diploma and no drug record. That workforce is no longer the base. The workforce of the future (already well underway) will be older, multi-lingual (mostly Spanish), and Asian. They will also be far more picky-choosey about who they will work for.

7. Globalization

Think it doesn't apply to you? Almost everyone today can buy and sell products from, and to, foreign suppliers, manufactures, wholesalers and retailers. Some companies who have mastered their business are marketing their knowledge as consultants to foreign entrepreneurs who are eager to learn how America leads the world in productivity.

Companies, even small companies will be opening new markets and starting foreign ventures. Global is really coming and you can see it on our horizon.

8. The Virtual Workplace.

Much of your work could be done by an employee who does not have to dress up in the morning, fight the rush hour traffic and use up space and utilities at your work place. Many employees will find that if they have a place to plug in, they're operating productively almost anywhere, anytime. They may be alone

but they can still be more connected than ever.

9. The End Of The Job?

Futurists, including Forbes Magazine, have speculated and cautiously forecast that we may be entering the era of the end of the job. That is to say that, if a job is defined as being an employee, having a job and being at work, then we may see much of our labor market no longer 'having a job'.

As workers become better trained and work becomes more technical and fluid and as jobs become less structured and no longer considered permanent, workers will also change. Workers, who have the skills in demand, will likely select the assignments and projects that fit their life style. They will work when, where and for whom they choose under the conditions they select and for as long as they desire. Work will be less a life absorbing process of necessity and more a part of a lifestyle where workers will be even more focused, effective and productive. But like the Journeyman of old and the entrepreneurial businessperson of today, they will choose the work that's right for them.

Will those workers need to do workforce planning?

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