

WORKFORCE DEVELOPMENT



THE BENEFITS OF WORKFORCE PLANNING

ALYSON PELLOWE on the importance of workforce planning as a strategic activity

A COMPANY can be riding on the crest of a wave, with plenty of successful projects on the boil and a healthy list of lucrative future contracts lined up. But to be a truly successful business, companies need to have a similarly strong pool of future employees on the books, or it could find standards dropping, costs rising and its pipeline of new people drying up.

As any company grows it should be seamlessly recruiting people that immediately improve the service offered. At its best, this is what workforce planning is about: understanding what the business is aiming to achieve and creating a people plan aligned to that goal. It ensures that you get the right talent through the door at the right time and at the right price.

And it needn't be a difficult process – we're not talking reams of paperwork, lengthy meetings and covert espionage to poach a rival's staff. Compiling a simple spreadsheet

incorporating each division of the business, a headcount and expected costs is all that's needed to set up a one to three-year plan: the benefits from this should be instantly noticeable.

One of the most significant by-products of workforce planning is that the human resource department becomes actively involved in the strategy of the company. The more departments aligned with the overall goals of the business the better. All key personnel in the company need to sit down and discuss future projects, upcoming plans and any future recruitment requirements and indeed any cuts that may be needed to support the business.

By keeping a dialogue open the workforce plan becomes a constantly evolving business tool that will improve recruitment immeasurably. But don't forget, it needs to be reviewed every three to six months and, most significantly, it has to be consistently aligned, or re-aligned if necessary, to the core business goals.

Many companies operate recruitment in a hand-to-mouth manner: an employee leaves or a new position arises, advertisements are placed and recruitment consultants contacted. Interviews are held and the new team member is found. It's all too easy to fall into this reactionary approach to recruitment if you do not have the right system in place.

But a long-term plan for the future of the workforce can seriously reduce the many problems that arise from reactionary recruitment. Noticeable benefits include better dealing with recruitment agencies. If a firm can approach an agency with a schedule of work for the next 1-2 years with a comprehensive outline of the type of skills it will need it will have a substantial negotiating tool with which to cut a more agreeable financial deal. The agency can then constantly be on the lookout for appropriate people, instead of sending the perfect candidate to a rival firm because it happens to be recruiting at that time.

Perhaps, the most interesting part

of implementing a workforce plan is that a business will be able to look at its current workforce and pinpoint people suitable for promotion. With a properly aligned plan workforce development teams are able to look at schedule for projects over the next few years and be in a great position to nurture any existing talent. This obviously has a positive impact on budgets as recruiting from within is always more cost effective and, again, it puts the human resource team at the core of the business, where they belong.

As people are at the heart of workforce planning, and their salaries and benefits the biggest expense incurred by a business, money is a major factor. Fortunately, planning finances well can help to plan people. If a company knows how much business it intends to deliver over the next three years it can easily calculate projected headcount. The business knows just how many people it can afford to recruit and is in a better position to select people with the right skills.

Workforce planning is a strategic activity that enables the HR team to give real benefit the whole business. It helps middle managers to understand how the company will shape over the next few years and therefore see the opportunities within their own teams. It will also reduce recruitment cost through better negotiations.

Alyson Pellowe is founder and managing director of People Vision Ltd, a leading provider of cross-industry human resources management and development expertise.