Workforce Planning for New Realities:
Three Key Practices to Adopt Now

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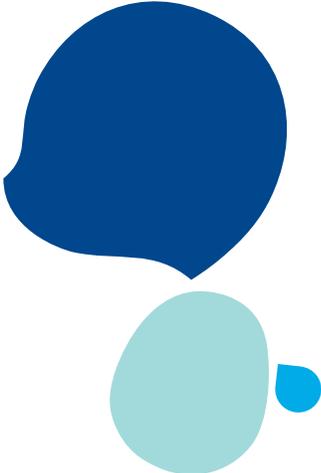
The Workforce Planning for New Realities HR strategy brief addresses the following areas:

The Changed Employment Landscape

Few companies today have not been touched significantly by the economic events of 2008 and 2009. Unemployment has skyrocketed, and every company has made personnel adjustments. Workforce trauma and triage have changed employment tactics from a best employee for the job approach to best employee for the big picture or for the immediate bottom line. Even healthy businesses have gone from fully staffed production machines to a lean workforce comprised of just the staff needed to keep the doors open through an economic recovery.

Historically, Human Resources managed mostly full-time and part-time staff. But layoffs, reductions in hours, changing job descriptions, and a fundamental shift to "creative staffing" have dramatically changed the employment landscape. HR is now managing a complex workforce of full-time, part-time, flex-time, and telecommuting direct employees, supplemented by ad hoc project teams, contractors, consultants, and shared resources.

This complicated landscape can result in staffing disarray, vacancies in key positions, and a struggle for HR and key managers to manage their staffing resources and budgets. Who can keep track of it all, especially when it is changing so quickly?

HR's Seat at the Strategic Planning Table

It is the perfect time for HR to take a proactive position at the strategic planning table, looking at ways to optimize today's and tomorrow's workforce. With payroll as one of the highest line items on the balance sheet, and worker productivity and intellectual property the real lifeblood of business survival, there is an urgent need for renewed efficiency in managing workforce assets. HR and managers have an opportunity to answer such questions as:

- How do we structure ourselves and organize our workforce to be the most effective and productive?

- How can we continually align ourselves with our current business conditions and still give our employees confidence and security?

- How do we revamp processes to build in agility?

- How can we anticipate changing workforce needs?

- How do we retain talented, engaged employees?

- How do we track and anticipate changing costs?

- How do we do all of this with an increasingly complex workforce?

Three Key Practices for Organizational Optimization

A new generation of tools using business intelligence, visualization, and workforce planning is powering a new set of HR initiatives and practices that support management by well-defined metrics as well as strategic planning. These tools support three key practices HR and management teams should adopt for managing the workforce in the new reality.

Practice 1: Improve the quality of baseline data with information consistency and accuracy.

Dive into the HR database at most companies, and you'll find nearly every employee record to be incomplete or out of date. Good data is at the heart of a valuable HR contribution and good decision making, so now is the time to institute a data "clean-up" program and new standards for keeping the data current.

Providing an easy process for updating data and data access for each manager can help to get your data back on track. It's relatively painless, but a critical initiative if everyone just updates their few direct reports.

The Challenge: A financial institution's legacy HR system contained no reporting hierarchy for their 13,000+ employees. There was no way to do workforce planning without knowing "who reports to whom," and what types of resources were in each department.

Execution: The organization challenged 2,500 managers to simultaneously model their own organizations. They were issued simple online "how to" instructions for chart structure and data entry. The resulting data and hierarchy were used to update the legacy HR system.

The Payoff: The organization produced the required hierarchy in three weeks, and the new information-rich organizational charts gave managers the ability to better manage the staffing requirements needed to meet committed objectives.

Unassigned employees are missing 'reports to' information in the source data. Managers corrected their organizational hierarchy using OrgPlus, then org charts were consolidated and systems updated.
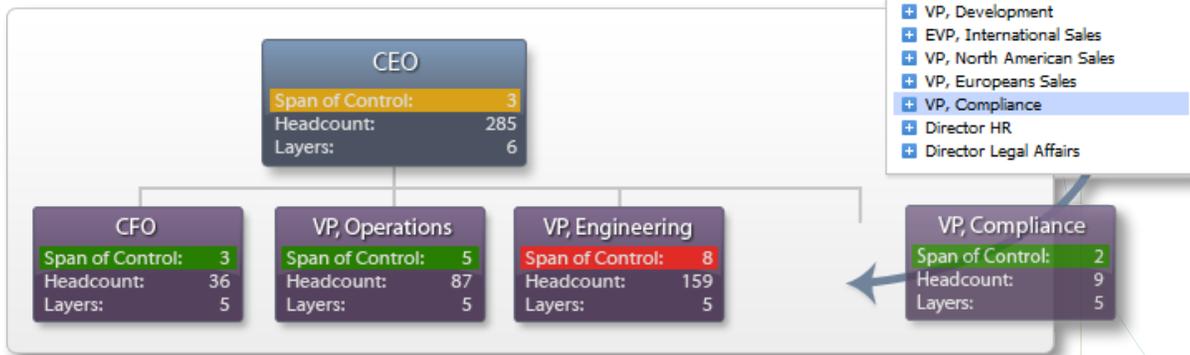
Practice 2: Ensure rapid access to key information and analysis.

Having all this new data in your system is only as valuable as the ability of managers to access and utilize it. Providing key management metrics as well as a visual framework of the organizational hierarchy means that managers can really use the information that's core to decision making.

Enhanced organizational charts that highlight employee status (full time, part time, contractor, and so on), budgeted salary and benefits, skill sets, and anomalies in reporting lines can help managers get an accurate "as is" assessment of their resources. Are the number and types of employees in each function aligned with the business objectives? Is compensation aligned with the budget? Are the reporting structures efficient? Is the right person doing the right job?

The Challenge: A large global retailer had over 300,000 employees in the "current" organization. Massive seasonal changes meant frequent fluctuation; it was impossible to tell full-time employees from seasonal or part-time, and the baseline data simply did not support management headcount accountability.

Execution: Creating new departmental org charts with accurate and sustainable baseline data allowed the managers to identify employees by type and seasonal status. In addition, they were able to view workforce costs, metrics, and other relevant information in different ways, enabling them to evaluate and project the future staffing needs.

The Payoff: Working from clearly visible organization structures and metrics, the individual managers can now be held accountable for managing their workforce mix of full-time, part-time, and seasonal employees within planned ranges. They can compare past and present workforce structures to more accurately plan for future needs.

Brian Rupert
President

Total Headcount	3,450
N. America	2,178
Europe	1,272

Brad Cunningham
SVP, Retail Sales

Total Headcount	1664
Customer Service	1056
Operations	608

Jennifer Borden
SVP, International Operations

Total Headcount	2,729
Operations	1,912
Sales	817

Sharon Bilello
Holiday Sales Manager

Total Headcount	358
Floor Sales	322
Inventory	36

Molly Miller
VP, Marketing

Total Headcount	26
Public Relations	9
Advertising	17

Kenichi Nishiwaki
SVP, Asian Operations

Total Headcount	722
Manufacturing	199
Shipping	523

Maxwell Smyth
Service Manager

Total Headcount	120
Returns/Exchanges	85
Accounting	35

Box colors indicating employee type help to instantly communicate the workforce composition.

- Full Time
- Part Time
- Seasonal

Practice 3: Anticipate change and have a plan.

Modeling utilities provide a valuable element to the workforce planning process. The ability to model future org charts showing potential next moves and associated costs is critical to being able to align the workforce with changing business and market conditions.

The rapidly changing landscape of 2008 and 2009 has forced companies to evaluate critical skill requirements, rethink their full-time versus contingent labor forces, and to often substantially change their staffing structure. Strong modeling tools provide visibility to explore various next-move scenarios, understand the implications on the balance sheet, and find the best workforce structure for the company.

Additionally, it's ever more important in this climate to plan succession for key management and staff positions. This age of constant change means workforce shifts materialize quickly. Without succession plans, an organization can find itself unprepared for the unexpected exit of a key executive or certain holders of intellectual property and critical skills. Do you have a plan?

The Challenge: The CEO of a large mining company sensed a recent increase of attempted "executive poaching" by its competitors as signs of recovery emerged. Realistically, it was only a matter of time and numbers before it would lose some key managers to the temptations of a promotion or higher salary. The CEO challenged HR to deliver a complete succession plan for the upper four levels of management within six weeks.

Execution: The HR managers worldwide created plans for each regional management team. Each regional chart identified the key managers, their flight risk, and their corresponding long-term, or "emergency," internal or external successors. After consolidating the regional lists, HR was able to present a combined chart of corporate succession.

The Payoff: Ultimately there were some defections, but by identifying flight risks, the company was able to retain most of the key employees, have succession plans in place for those who left, and even identify a few who were well-served by succession.

Succession plans are created and displayed within the org chart for a practical, time saving approach to communicating plans.

The HR Asset

It is likely that the workforce landscape has changed forever as companies see the necessity and value of constructing a more flexible team. As you move through recovery, stay focused on:

- Accurate, sustainable HR data.

- Providing easy access to the data at each level of management.

- Flexible reporting that aligns with your company's balance sheet and identifies key metrics for results.

- Contingency models for "what if" scenarios of changing business or market conditions and succession planning.

About the Author

Jim Candler has more than 25 years of global HRIS management experience. As the VP of global customer success for HumanConcepts, Jim advises customers on HR best practices including workforce planning, HR data management, strategic solution implementation, and more.
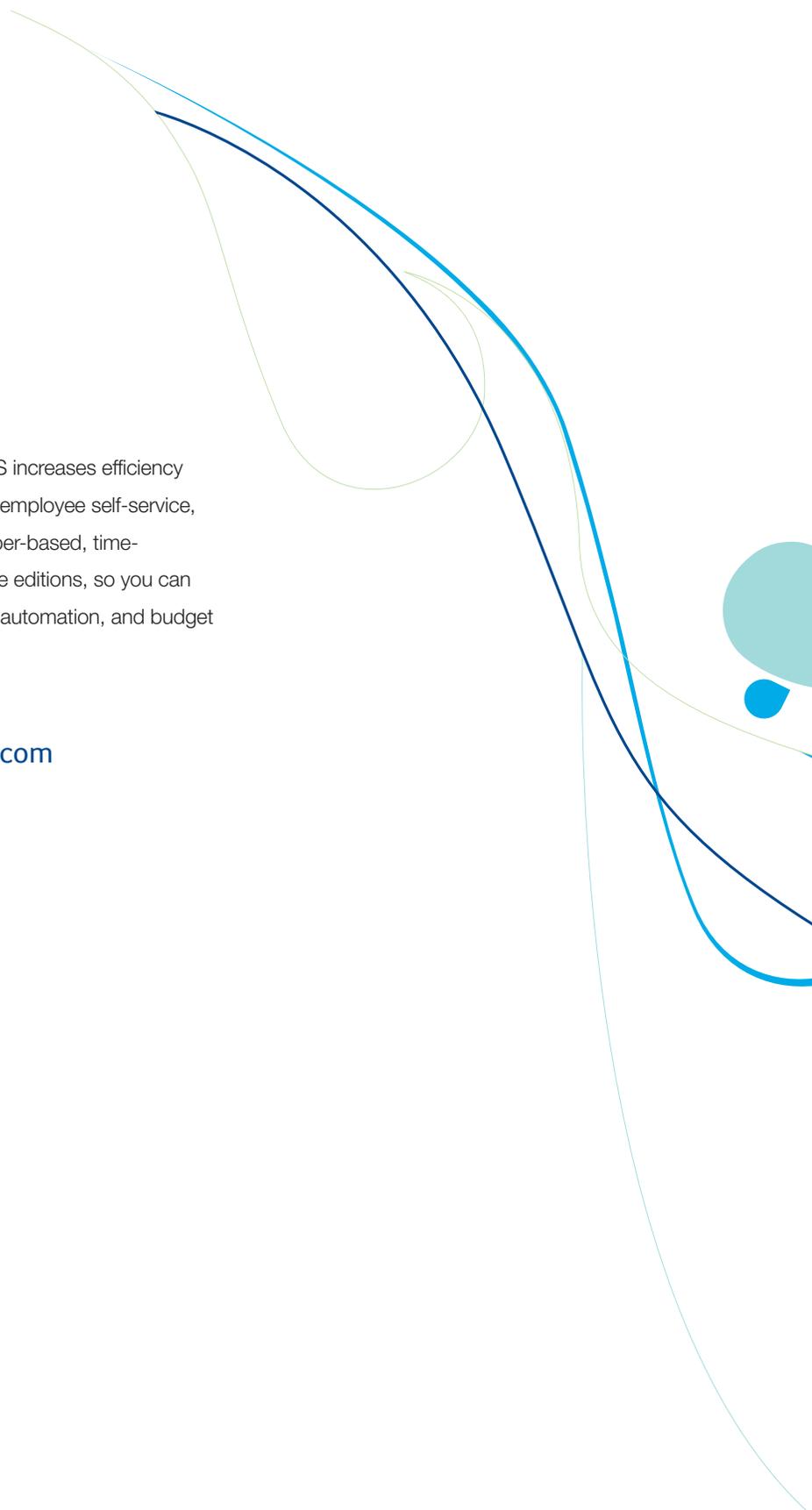
About Sage Abra HRMS

Designed and tested by HR professionals, Sage Abra HRMS increases efficiency in every aspect of HR administration—HR, payroll, benefits, employee self-service, attendance, recruiting, and training. Sage Abra replaces paper-based, time-consuming, and error-prone HR methods, and come in three editions, so you can choose the solution that best fits the needs, desired level of automation, and budget of your company.

To learn more, please visit: www.SageAbra.com

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