

CAHRS Working Group Strategic Workforce Planning

Hosted by Accenture

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Participating Organizations:

Accenture
American Express
Bloomberg
Boehringer Ingelheim
Boston Scientific
Cornell University
Corning
Federal Reserve Board
IBM
Johnson Controls
JPMorgan Chase
MasterCard
Merck

Key Takeaways:

1. Strategic workforce planning (SWP) encompasses a range of activities: a) understanding the company's strategic direction, b) forecasting business demand, c) determining talent needs, d) assessing talent supply, e) identifying shortages/surplus, and f) taking action. SWP can occur at a macro/strategic level (e.g., long range, five- to-10-year forecasts), tactical level (e.g., yearly planning), or operational level (e.g., daily or even hourly planning).
2. Owing to increased job automation, organizations can consider "bot" as an option for resolving talent gaps along with the more traditional approaches of "build," "buy," and "borrow." In short, balancing talent supply with increasing job automation will be a key organizational priority going forward.
3. Companies face numerous challenges in strategic workforce planning — what roles to focus on; what tools to use; what timeframe to forecast, what data to collect; who to involve in the process; how to define and measure skills; how to balance immediate and long-term priorities; and more.
4. Participants reported greater traction with planning efforts when they: a) created cross-functional teams to tackle the planning challenge, b) focused on a manageable set of key skills or roles versus the entire organization, and c) leveraged both internal and external data sources and used emerging technology and analytics to automate parts of the planning process.

Opening Discussion: What is Strategic Workforce Planning?

The opening discussion focused on defining SWP and sharing views on the need for a focused approach to it. Professor John Hausknecht kicked off the session with a brief overview of frameworks and terminology used in the SWP domain. Across all approaches, the basic goals are similar — identifying the company's strategic direction, forecasting demand, determining talent needs, assessing talent supply, and taking action to resolve gaps. In some cases, the focus is *strategic* and long-term, perhaps three to five years out, or longer, as organizations attempt to forecast skill needs well into the future. In other cases, companies focus on *tactical* planning to evaluate talent demand and supply at a more granular level (e.g., forecasting headcounts by position for the upcoming year). Finally, some workforce planning applications are more *operational*—identifying talent needs at a micro level, which could be at a daily or even hourly basis (e.g., optimizing staffing levels at a call center).

The opening discussion served to illustrate the complexity and challenges of workforce planning and the growing need to strategically deploy planning depending on firm and market needs. One



participant highlighted the crucial importance of workforce planning, stating that “reskilling at speed and scale will soon be a top CEO agenda item.” Others highlighted the importance of constantly upskilling and strengthening the talent pipeline as talent rises as a primary source of competitive advantage. Another participant explained how technology is upending how work gets done and how we must think differently about talent planning. She noted that the traditional view to resolving talent gaps often involves elements of “Build, Buy, or Borrow,” but that a fourth approach — “Bot” — recognizes that a growing percentage of jobs/tasks can be automated. The key challenge going forward will be understanding the optimal mix between build, buy, borrow and bot — and an area where sophisticated use of analytics can make a difference. This will mean having a true understanding of the taxonomy of jobs by responsibility and tasks, and having an employee inventory and repository of talent and skill proficiencies.

What Are the Key Issues?

During our discussion, participants provided greater detail on their challenges and opportunities related to strategic workforce planning. In particular:

- One company stressed the growing need to establish sound methodologies for capturing “good data,” as well as mechanisms and tools for ensuring data quality.
 - Another company highlighted the fundamental need to partner with the business to better assess talent demand.
 - One member raised the question of what ultimately can and must be “plannable” from the business’ perspective, to avoid data acquisition overload without any clear business impact. The second point raised was around the success metrics for planning, thus pointing once more to the need for linking planning activities more concretely to the business in real time.
 - Another company touched on the importance of shifting the emphasis to true predictive analytics vs. routine planning.
 - One participant was interested in exploring how to leverage modeling and scenario planning to model the longer term, five- to 10-year projections and provide the business with valuable insights on the different strategic initiatives, as well as the skills required to act on them.
 - One other member company recognized the reality that strategic workforce planning, despite the ongoing focus this last decade or more, has never really taken off. What will it take to really make strategic workforce planning successful and a key business activity? Other companies also echoed the sentiment of what really will make it stand out in the future so that it doesn’t languish as a practice.
 - How do you do planning in a practical and pragmatic way without over-complicating it? How do we go back to the basics, get certain aspects of planning really well established and then move on to other adjacent capabilities once we have proved to the business that we can actually manage doing one thing especially well? How do we keep planning from morphing into a catchall umbrella term that dilutes our influence on the business?
 - Another company raised the need of skill identification in more nuanced ways than our current systems are equipped to look for in our employee population. How do we assess skills we don’t know we have or know we need? How do we model around skills that we don’t currently recognize as valuable? What are we missing by only planning around existing skills or when we can only predict based just on information that is currently accessible?
 - To this last question, another company added the growing need to identify overlapping skills as a way of developing a skill base rapidly. This was echoed by other members who recognized the need to identify skills in clusters rather than individually, as a way of optimizing the talent pool and underlying learning capability of individuals with adjacent skills to the ones required in the future.
 - Another participant raised the challenge of “cracking the Mergers & Acquisitions puzzle” – how we do successfully assess and cross-pollinate talent pools across organizations?
 - One person stated that skill assessments are rapidly losing their shelf life. Do we assess for specific skills when those skills are quickly becoming outdated, stale? Do we keep assessments real time so that at any given
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- moment we have a good picture of in-house talent?
- The question of roles vs. people generated a lot of interest in the room. The traditional understanding of workforce planning has been one person = one role. What we are now seeing, especially as a new talent population that wants multifaceted development enters the workforce, is that it is no longer one-to-one but rather one-to-many. One person has multiple portions of formerly whole roles, often across functions. If this one-to-many trend continues, this upends the way companies hire, assess and develop their talent with an eye for learning agility rather than specific skills, the latter of which may quickly be outdated or replaced by artificial intelligence (AI).
 - Session members noted that planning cannot focus on everyone in the organization, so how do we prioritize while still giving the business the support it wants from us? How do we evolve from providing a full skill assessment mapping (the traditional view) to a more targeted focus on priority roles, and identifying and real time talent demands? What are the tools/processes that can generate reliable data so that we can focus on generating valuable insights? How do we find the right balance between investment and return?
 - A final question was around how to establish processes where planning is a sustainable ongoing activity rather than a once and done activity that sits on a shelf. How do we get true buy-in from the business to sustain it?

Preliminary Guidance and Next Steps

As the first CAHRS working group on strategic workforce planning, the session generated more questions than answers. However, participants did offer several tips and recommendations for how to improve the practice of strategic workforce planning:

- **Create partnerships.** It became clear from the discussion that strategic workforce planning must be a shared practice that involves not just HR, but colleagues from other areas (business partners, finance, analytics). Given the complexities involved in forecasting future business demand, determining future talent needs, evaluating talent supply, and taking action to resolve gaps, assembling a cross-functional team is essential to successful workforce planning efforts.
- **Keep it manageable.** Much of the frustration expressed around the topic stems from the size and scope of the workforce planning challenge. A number of the companies represented employed well over 50,000 employees; planning for the entire organization was seen as an overwhelming mandate. For companies that found success, they often prioritized key roles and focused their efforts on intensive data gathering and analysis there rather than spreading their efforts across all levels and roles.
- **Leverage data and technology.** A number of organizations are working with external partners who provide detailed forecasts on the current and future projected availabilities of key positions and/or skills. They reported greater insights from being able to combine internal and external data vs. relying solely on one or the other. Related to this, companies are exploring or developing technologies to automate aspects of the workforce planning process—companies can expect to see more applications of AI and analytics to help them anticipate looming skill shortages.

The session closed with reflection on the key workforce planning issues faced today and what needs to happen to position companies for success going forward. One participant concluded that we are headed into a major cultural shift in the talent space, one that cannot be met by reskilling current employees alone. Another reflected on the complexity of workforce planning, citing the challenge of balancing today's priorities (and constant change) with future goals. Another emphasized the need for a stronger "methodology" — how to capture high-quality data that people trust and how to develop a common language for strategic workforce planning across the organization. All believed that further meetings and discussion would help knowledge and sharing of best practices on this critical topic.

This Summary Report was prepared by John Hausknecht and Elona Pira for use by participants of the Strategic Workforce Planning Working Group.

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