FEAST OR FAMINE: IS WORKFORCE PLANNING ON YOUR ORGANISATION’S MENU?
Strategic workforce planning is about determining the actions we need to take today to provide the workforce we need for tomorrow.

Regardless of status, the key concern for most businesses is primarily ensuring continued high quality service delivery clients and customers, in which an organisation’s employees play a pivotal role.

The New Year has commenced with an increasing air of optimism and now is a great time to reflect on both progress to date and that priorities that lie ahead at work. Put simply, now is the chance to carefully review what you have on your plate. Just as many of us make personal commitments to health and wellbeing at this time of year, it is also important to consider how you will be fuelling your business going forward. It is an opportune time to reflect on your business goals and priorities, and consider your strategic appetite for the coming year.

It is acknowledged that recent years have been challenging in the business world and while some organisations are thriving, others are approaching the year more cautiously. Regardless of whether your organisation is in ‘feast’ or ‘famine’ mode, strategic workforce planning is one menu item that should not be forgotten when refocusing after the festive break.

Downsizing, maintaining or rebuilding phases might be considered the ‘famine mode’ of an organisation, during which time the key concerns are often cost control and delivering more both efficiently and effectively. This can be contrasted to organisations which are in ‘feast’ mode, and in a position to focus on growth and increasing market share. In exploring the role of workforce planning within an organisation, it is relevant to consider the mindset of organisations at different ends of a continuum of financial stability.

THE SEAFOOD BUFFET FOR ALL!

There is often the perception that opportunities abound for ‘feasting’ organisations which are in a positive financial position. It often goes hand in hand that organisations that are looking to expand into new markets, test new products or expand services will require additional staffing to achieve those outcomes. New staff may need to be appointed quite rapidly on an as-needs basis and in some instances this occurs in a planned way, in others on an ad hoc, ‘how quickly can we get them’ manner.

JUST THE ENTRÉE PLEASE...

When an organisation is in ‘famine’ mode and downsizing or resisting growth, they are typically cautious of how money is spent, the decisions that are made and how resources may be allocated. As such, the assumption may be made that in the absence of significant growth, a plan for managing staffing levels and competencies is not required during this time. For example, the belief may be held that a strategy is not required to exit staff from an organisation.

Regardless of status, the key concern for most businesses is primarily ensuring continued high quality service delivery clients and customers, in which an organisation’s employees play a pivotal role.

It is interesting to note that many of the workforce challenges reported are strikingly similar between organisations in both feast and famine mode, whether they recognise it or not. Regardless of status, the key concern for most businesses is primarily ensuring continued high quality service delivery clients and customers, in which an organisation’s employees play a pivotal role. There are also factors at the macro and worldwide level which have the potential to affect organisations in all industries and sectors, such as a shrinking talent pool, an ageing population and increased global competition for the workforce (Menge, Garbis & Collins, 2008).

Further to this the following are a snapshot of challenges that are reported in both feast and famine businesses:

+ “we make significant investment in the training of our staff and then they get poached by our competitors”
+ “many of our staff are considering retirement – what will we do if they all decide to leave at once?”
“we collect HR data but we don’t do anything with it, it doesn’t mean anything”

“technology is rapidly changing the way we do business”

“clients are much more cautious in the way they spend their money, we rarely get the ‘big jobs’ anymore”

The aim of strategic workforce planning is to reduce business strategy execution risk and minimise the change of encountering future staffing problems that could otherwise have been avoided. In order to respond to challenges, such as those listed above, effectively, it is vital that people be recognised as a critical asset of any organisation, and that considered action is undertaken to ensure an organisation has the ‘right people, at the right time, with the right skills, in the right roles’. Essentially, strategic workforce planning should form the basis of an organisation’s well balanced diet.

TIPS FOR OPTIMISING STRATEGIC WORKFORCE PLANNING OUTCOMES – A WELL-BALANCED DIET

Workforce planning in itself will not determine organisational success, but rather it is a vehicle for driving informed conversations and actions and ensuring you are fuelling your organisation with the right people, when you need them. In recognition of this, here are five steps you can take to demonstrate value and optimise the impact of your investment in workforce planning for best business outcomes.

1. Involve all key stakeholders – Invite them to the table!

It is important to recognise that workforce planning is not a process that is ‘owned’ by HR. This unit or team may drive or steward the process, but not own it. If an organisation chooses to engage in workforce planning as a genuine risk mitigation and business continuity strategy, then it needs to be owned by business units or functions where the operations are undertaken, just as those areas should have accountability for elements of strategic and operational plans. This is where the plan comes to life. Getting key stakeholders from across the business engaged early there is great as it encourages increased diversity in the perspectives shared when exploring data and testing assumptions about the likely scenarios that will play out.

To effectively engage stakeholders, it is important to:

+ Actively create an opportunity to involve stakeholders, invite them to planning meetings
+ Clearly communicate the purpose of the process and intended benefits, specifically responding to the ‘what’s in it for me’ question from the perspective of each of those stakeholders - what are they going to gain from participation?
+ Communicate openly and transparently, be clear on what is expected of stakeholders and how they may best contribute.

2. Test assumptions – try the options out for yourself!

Rather than assuming certainty about how the future is likely to play out, it is recommended that organisations take time to explore the actual likelihood of that situation. Scenario testing is a technique used to undertake this, we articulate what we predict will significantly impact the business during the forecast period.

IT IS BETTER TO BE ROUGHLY RIGHT THAN PRECISELY WRONG

John Maynard Keyes

Working with organisations, it is interesting to note that the future picture can change quite significantly when presented with evidence about trends. As an example, an organisation may believe that it will have a surplus of staff in one key function in the medium term and will therefore need to consider redundancies. When that scenario is explored and compared to employee data such as turnover rates, and the percentage of staff likely to retire in the next 5-7 years, they may actually find the opposite is more likely and they will instead have a shortage of staff. The more informed strategy would be to consider how to retain the employees they have - a very different approach to what was first thought!

To most effectively identify key strategies, it is important to:

+ Work with your key stakeholders to identify two to three plausible future states that the organisation will face and contrast with data to agree the most likely future state on which to
base strategies and actions

+ Seek objective data from the operating context, employee information, market or industry trends as well as employee input to test the likelihood of these scenarios eventuating

3. **Take action – Don’t just look at the menu; order, consume and reflect**

The intent of a workforce plan is to be a living and breathing document, one that is regularly referred to and does not simply ‘sit on the shelf’ collecting dust. An organisation can optimise gains from the process by ensuring there are well articulated priorities and actions which not only clearly link to the strategic and operational plans, but assign responsible roles and timeframes for completion. Typically, when an action belongs to ‘everybody’, nobody takes it on as they assume that someone else will do it.

The following tips can help to ensure an action-oriented plan:

+ Include specific and well-articulated actions within the strategic workforce plan
+ Ensure a specific responsible person and timeframe is assigned to each action to provide the impetus for implementation
+ Establish regular monitoring and evaluation activities to drive focused activity and measure the impact against business outcomes.

4. **Integrate with the business planning cycle – make it a regular thing like dinner with old friends**

Just as your organisation is likely to be committed to a regular strategy and operational planning cycle, workforce planning should become equally valued. Strategic workforce planning goes hand-in-hand with strategic planning as it is vital to ensure that the capability and capacity of employees is in place to actually deliver on the priorities. Effective and well aligned workforce planning can help to reduce effort and pain in delivering on those overarching plans.

If workforce considerations are not yet on your organisation’s planning menu, identify the appropriate persons, ideally a senior manager, and start the conversation.

5. **An evidence-based process – what do the food critics say?**

Just as it is important the scenarios are tested for relevancy, it is critical that a workforce planning process is guided by a framework and relevant, accurate and objective data.

In terms of a framework, there are multiple in existence and TMS typically delivers workforce planning utilising a seven stage model as demonstrated below. This model has been designed to ensure a comprehensive understanding of the current state in which the organisation operates, exploration of the future state, and identification of any gaps or barriers that need to be addressed to achieve that future state. Importantly, the process is action-oriented and encourages regular evaluation of the progress. Finally, we recognise the importance of increasing the internal workforce planning capability within an organisation to sustain the process and as such we are committed to enabling this.

To effectively deliver on workforce planning initiatives, explore the models that are available and select the one which:

+ Looks at your business and its context holistically both in its present and future state
+ Emphasises the use of objective data
+ Identifies priorities areas
+ Demonstrates a commitment to action and implementation
CONCLUSION

Regardless of whether your organisation is in feast or famine mode, long-term sustainability will likely be at the core of strategic activities, and therefore it is important to appropriately understand where your workforce is now, where you need it to be in the future and plan how you might best get there. A healthy bottom line requires good planning, and although the process may not be perfect the first time, there are great benefits to be had simply from getting started. Whilst strategic workforce planning can appear a daunting task, considering the above tips can help to ensure a robust, engaging and ultimately satisfying experience with direct business benefits for your organisation.

References


TMS consulting have significant experience in working with organisations in periods of restructure and change. We are skilled and experienced in conducting workforce planning that is effective, consultative and optimised. For further information on TMS services visit [www.tmsconsulting.com.au](http://www.tmsconsulting.com.au).

Contact TMS to discuss how we can work with you to achieve your desired outcomes. For further information on TMS Consulting, email solutions@tmsconsulting.com.au or visit our website.

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