

5.2: Business Strategy and Workforce Planning

Learning Outcomes

- Describe the relationship between business strategy and workforce planning

What is Workforce Planning?

We've previously discussed the strategic planning process and the role that HR management plays in supporting the planning and implementation process. As stated in *Human Resources Today*, the role of human resource management is to ensure that an organization has the talent—the right combination of skills, knowledge, aptitude and attitude—to achieve its strategic goals. The organization's strategy, including its mission or “why,” core values and culture as well as its competitive strategy, has implications for not only human resource structure, policies and practices but how roles are designed and valued. Workforce planning is not simply a matter of filling open requisitions, it is a complex research and design problem that involves developing a detailed understanding of a role, its requirements and how that role relates to organizational strategy and to other roles within the organization.

The state of California's Human Resource Department abbreviated definition of workforce planning is “having the right number of people with the right skills in the right jobs at the right time.”^[1] Good as far as it goes, but this definition doesn't capture the complexity of workforce planning in what is, practically speaking, a full employment economy on the verge of the next industrial revolution. HRZone's definition better reflects these operating realities: “workforce planning is the process of ensuring an organisation has current and future access to the human capital it needs to perform effectively.”^[2] Using the term “access” also reflects the increasing use of alternative employment—for example, contract and temporary—rather than a traditional full-time employee relationship.

PRactice Question

404 Not Found

nginx

The Workplace Planning Process

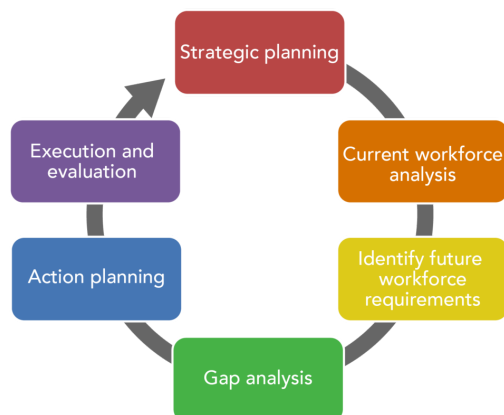


Figure 5.2.1: The Workplace Planning Process

Workplace planning is generally done based on a multi-year horizon (for example, 3–5 or 5–10 years) and consists of a six step process, as illustrated in Figure 1. The steps in the process are fleshed out based largely on the federal Office of Personnel Management’s workforce management training materials.^[3]

1. **Strategic planning.** Align the workforce planning process with the organization’s strategic plan and annual business plan to support achievement of long-term (strategic plan) and short-time (annual performance) goals and objectives.
2. **Current workforce analysis.** Analyze current resources, including projections for training and development and turnover.
3. **Identification of future workforce requirements.** Develop specifications for the types, quantity, and location of human resources required to accomplish strategic objectives
4. **Gap analysis.** Identify the gaps between current and projected workforce needs.
5. **Action planning.** Identify how to close resource gaps, including development of implementation plans and associated evaluation metrics. Plans may encompass a range of activities including recruiting, training, reskilling, organizational restructuring, contracting/outsourcing, automation and succession planning.
6. **Execution and evaluation.** Execution involves, in brief, establishing roles and responsibilities and securing required resources. Evaluation involves monitoring progress relative to goals and making adjustments as necessary to reflect changes in plan assumptions or other relevant factors.

As the circular design implies, this is a continuous rather than linear—start to end—process. For perspective on the significance of this process, the state of California’s HR departments notes that “workforce planning informs recruitment, retention, employee development, knowledge transfer and succession planning.”^[4] For perspective on sequencing, author, blogger (HR Bartender) and president of human resource consulting firm ITM Group, Inc., Sharlyn Lauby notes that “before companies can start thinking about their succession plans, they have to understand their jobs.”^[5]

-
1. "Statewide Workforce Planning." California Department of Human Resources. Accessed September 10, 2019. ↵
 2. "What is Workforce Planning?" HR Zone. Accessed September 10, 2019. ↵
 3. "OPM's Workforce Planning Model." opm.gov. Accessed September 10, 2019. ↵
 4. "State of California Workforce Planning Model." California Department of Human Resources. Accessed September 10, 2019. ↵
 5. Rassi, Elias. "6 Quotes About the Value of Succession Planning from 2015." SABA Blog. December 30, 2015. Accessed September 10, 2019. ↵

Contributors and Attributions

- Image: Workplace planning process. **Provided by:** Lumen Learning. **License:** [CC BY: Attribution](#)

This page titled [5.2: Business Strategy and Workforce Planning](#) is shared under a [CC BY 4.0](#) license and was authored, remixed, and/or curated by [Nina Burokas](#) via [source content](#) that was edited to the style and standards of the LibreTexts platform.