

IMPLEMENTATION TOOLKIT

MODULE 5: STRATEGIC WORKFORCE PLANNING

STRATEGIC WORKFORCE PLANNING

WHAT IT IS



The formulation of a **robust talent strategy** that aligns an organisation's long term priorities with present human capital resources



Analysis of tasks, future-critical activities, and declining skills to **align work to future value**



Influence talent strategy to better mitigate financial, skills, and operation risks



Redesigning work to **maximise the output of roles** where shortage of talent is expected and develop inclusive job scopes



Structure streamlined processes to facilitate exchange and management of information, knowledge and intellectual property

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STRATEGIC WORKFORCE PLANNING

MAKING THE CASE FOR CHANGE

UNDERSTANDING OF BUSINESS STRATEGY



There is a need to **understand future directions that the business has**, so that organisations can make their **talent plans based on current and future requirements**

FOR EMPLOYERS

Deep Understanding of Business Trends and Impact on Manpower

FOR EMPLOYEES

Greater Man-Machine Interface in Future of Work
Understanding Future Business Plans

DEMAND, SUPPLY AND HR DISRUPTION



Alongside the changing world of work, **disruptions to supply** (i.e. Automation, Digitalisation) **and demand** (i.e. Freelancers, gig economy) are causing a **fundamental rethink of approaches to HR**

FOR EMPLOYERS

Building a Steady Talent Pipeline
Maintaining a Sustainable Workforce

FOR EMPLOYEES

Understanding Business Talent Needs
Staying Ahead of the Disruption Trend to Remain Relevant

DATA-DRIVEN APPROACH



Organisations are leveraging on data to **project and optimise their manpower demand and costs**. Data analysis reveals **workforce gaps** and which actions are the most effective in filling them

FOR EMPLOYERS

Predictive Analytics to Project Demand
Maintaining a Lean & Agile Workforce

FOR EMPLOYEES

Focusing on Productivity Given Manpower Optimisation
Greater Emphasis on KPIs and Targets

“Successful talent management is about having the right person at the right time.”

– Zhang Zhi Xiang, Director (Human Resources), Rohde & Schwarz

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STRATEGIC WORKFORCE PLANNING IMPLEMENTATION PLAN



1 GAIN STRATEGIC INSIGHTS

- Set Strategic Context
- Identify the Workforce Implications

4 PEOPLE STRATEGY



- Develop and Execute People Action Plans



STRATEGIC WORKFORCE PLANNING

2 MEASURE THE GAP RISK



- Identify Workforce Demands
- Analyse Workforce Supply
- Measure Gap Risk

3 MODEL TALENT MANAGEMENT OPTIONS



- Study External Labour Market
- Develop Potential Solutions
- Prioritise Solutions

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STRATEGIC WORKFORCE PLANNING

STEP 1: GAIN STRATEGIC INSIGHTS



SET STRATEGIC CONTEXT

- Ensure that Senior Management and Line managers are aligned on:
 - Business plans and strategies
 - Productivity drivers and outputs
 - Talent implications
- Create and distribute a strategic workforce planning scan (online questionnaire) to line leaders and internal subject matter experts
- Generate and validate the likely future business scenarios developed from the above inputs (questionnaire, interviews and desktop review)



IDENTIFY WORKFORCE IMPLICATIONS

- Classify the roles and other segments within the organisation according to their importance to the business and their internal/external market availability
- Determine the focus for the workforce planning forecasts (**SWP roles**)

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STEP 2: MEASURE THE GAP RISK




IDENTIFY WORKFORCE DEMANDS

- Work with operations/finance on FTE projections to conduct productivity analyses on the SWP roles to understand the key drivers and assumptions of demand
- Determine how many workers (contingent or regular) are needed under each business scenario (demand forecast) based on productivity analysis



ANALYSE WORKFORCE SUPPLY

- Analyse current and historical workforce structure; internal and external talent flows (hires, promotions, terminations); and demographic trends
- Determine future expected headcount of the current workforce
-  Build a talent pipeline across the entire organisation, working with educational institutions and workforce academies to churn talent that is needed in the long run



MEASURE GAP RISK

- Calculate the gap under each business scenario, which may be either a surplus or a shortage
- Conduct a risk assessment of the gap calculated to determine which gaps require active management



Start Early and Flood the Talent Pipeline!

Thriving organisations that successfully plan for their workforce needs start early, engaging potential candidates even while they are still schooling. They tend to develop their talents internally and flood their entire pipeline with talent, so that there is no shortage of talent across all career levels

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STEP 3: MODEL TALENT MANAGEMENT OPTIONS



STUDY EXTERNAL LABOUR MARKET

- Match SWP roles to external labour market jobs and project external labour market availability over time
- Examine external labour market conditions and forecasts of estimated labour availability over 3-5 years



DEVELOP POTENTIAL SOLUTIONS

- Conduct SWP workshops with HR domain experts (i.e. talent acquisition teams) to identify potential solutions to close workforce gaps and mitigate risks, utilising manpower forecasts as well as the external labour information



PRIORITISE SOLUTIONS

- Model and investigate the feasibility and impact of strategies, based on considerations of cost, time, resources, organisational readiness and impact
- Create workforce plan to meet the business plans, prioritising workforce in key areas and identify potential risks in not meeting business plans

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STEP 4: PEOPLE STRATEGY



DEVELOP AND EXECUTE PEOPLE ACTION PLANS

- Develop action plans of which solutions will be pursued with assigned timings and associated responsibilities
- Provide recommendations on what metrics should be used to monitor the actions based on the workforce plan



BUY

Purchase external talent through increased recruitment and future candidate engagement



BUILD

Develop talent from inside the organisation through increased training and development activities



BORROW

Borrow or rent talent through contracting with agencies or consulting firms



BIND

Retain existing talent through improvements in the employee value proposition



BOT

Use technology, a different way to organise work, and automate where possible

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SELF ASSESSMENT IMPLEMENTATION CHECKLIST

Have you...	If yes, move on to the next question! If no, refer to the following:
<ul style="list-style-type: none"> <input type="checkbox"/> Ensured senior management and line managers are aligned on business plans and strategies, productivity drivers and outputs and talent implications? <input type="checkbox"/> Gathered a strategic workforce planning scan and taken perspectives from line leaders and subject matters experts? <input type="checkbox"/> Generated multiple business scenarios with the senior management? <input type="checkbox"/> Classified roles in the organisation according to their importance to the business and market availability? 	<p>Step 1: Gain Strategic Insights</p>
<ul style="list-style-type: none"> <input type="checkbox"/> Conducted initial productivity analysis with operations and finance departments (Workforce Demand)? <input type="checkbox"/> Determined the ideal headcount for each business unit based for each business scenarios identified (Workforce Demand)? <input type="checkbox"/> Forecasted the skills needed for the future as compared to current state (Workforce Demand)? <input type="checkbox"/> Analysed current and historical workforce structure (Workforce Supply)? <input type="checkbox"/> Determine expected headcount in the future (Workforce Supply)? <input type="checkbox"/> Established relationship with local institutions to build talent pipeline for the future (Workforce Supply)? <input type="checkbox"/> Analysed the workforce gap based on the supply-demand analysis, identified the risk of each gap and determine which gap would require active management? 	<p>Step 2: Measure the Gap Risk</p>

SELF ASSESSMENT IMPLEMENTATION CHECKLIST

Have you...	If yes, move on to the next question! If no, refer to the following:
<ul style="list-style-type: none"> <input type="checkbox"/> Matched roles to external market jobs? <input type="checkbox"/> Examined and forecasted availability based on the labour available in the market? <input type="checkbox"/> Sought perspectives and solutions from HR domain experts on reducing the workforce gap? <input type="checkbox"/> Assessed identified solutions based on their feasibility? <input type="checkbox"/> Formulated workforce plan based on the selected solutions and highlight risks of not fulfilling it? 	<p>Step 3: Model Talent Management Options</p>
<ul style="list-style-type: none"> <input type="checkbox"/> Developed action plans and selected metrics to measure the program effectiveness? 	<p>Step 4: People Strategy</p>

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SELF ASSESSMENT: WHERE ARE YOU & HOW YOU CAN GET TO THE NEXT LEVEL

WHERE IS YOUR ORGANISATION AT?

BUDDING	ASPIRING	GROWING	MATURING	THRIVING
<ul style="list-style-type: none"> • Future state business scenarios are not developed • Manpower determined based on defined budget 	<ul style="list-style-type: none"> • Single short-term future state business scenario identified based on historic data • Manpower projections based on historical internal data 	<ul style="list-style-type: none"> • Multiple short-term future state business scenarios developed at enterprise level • Manpower projections based on internal and external data 	<ul style="list-style-type: none"> • Mid-term to long-term business scenarios developed based on extensive scenario planning exercises • Capability assessments and gap analysis are performed 	<ul style="list-style-type: none"> • Mid-term to long-term business scenarios developed and periodically reviewed to ensure relevance • Workforce plan is developed with actionable items to address gaps and track initiatives

WHAT DO YOU CAN CONSIDER DOING...

<ul style="list-style-type: none"> • Developing a short-term future state business scenario • Performing manpower projections based on historical data 	<ul style="list-style-type: none"> • Developing multiple short-term future state business scenarios at enterprise level • Performing manpower projections based on both internal and external data 	<ul style="list-style-type: none"> • Developing mid-term to long-term business scenarios based on extensive scenario planning exercises • Performing capability assessments and gap analysis 	<ul style="list-style-type: none"> • Periodically reviewing business scenarios to ensure relevance • Developing a workforce plan with actionable items to address gaps and track initiatives 	<ul style="list-style-type: none"> • Strengthening understanding of risks, costs and implications of each business scenario and maintaining agility to pivot based on changing needs • Prioritising capacity and capability gaps based on well-rationalised factors
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ADDITIONAL RESOURCES FOR YOU

- How Mercer can elevate your talent strategy with strategic workforce planning to deliver business success
 - <https://www.mercer.com.au/what-we-do/workforce-consulting/workforce-consulting-and-products/talent-strategy.html>
- How to prepare for future success by proactively developing a flexible workforce model based on a new talent ecosystem
 - <https://www.mercer.com/our-thinking/career/future-workforce-finding-excellence-in-the-new-talent-ecosystem.html>

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COMPANY BACKGROUND

INDUSTRY	EMPLOYMENT PROFILE	FEATURED PRACTICES	TRIPLE STRONG FACTORS
Financial and Insurance Activities 	<ul style="list-style-type: none"> Average Tenure: 8.8 years Average Age: 37.8 year old % Female: 56.9% % Foreign Worker: 6.1% 	<ul style="list-style-type: none"> Succession Management Strategic Workforce Planning 	<ul style="list-style-type: none"> Provides Flexible Work Arrangements Develops Local Leaders Encourages Skills Upgrading Reskills at-risk Employees

HUMAN CAPITAL PRACTICES AND BUSINESS RESULTS

	CHALLENGES	KEY CHANGES	RESULTS
<p>Strategic Workforce Planning</p> <p>Strategies implemented to tackle future workforce needs</p>	<p><u>Industry Dynamics</u></p> <ul style="list-style-type: none"> Digital transformation is disrupting the business and manpower needs <p><u>Company Dynamics</u></p> <ul style="list-style-type: none"> OCBC needed to reskill and upskill all its employees to equip them with the necessary skills for the new digital world It required an in-depth understanding of the critical areas of focus and magnitude of the change efforts required 	<p><u>Implemented Workforce Transformation Initiatives</u></p> <ul style="list-style-type: none"> Set up a Workforce Transformation Initiative (WTI) to identify roles that could be critically impacted and possess high degree of transformation potential The WTI was spearheaded by HR together with strong partnership from business representatives and senior leaders across all divisions, allowing close alignment between business and human capital needs. Through this initiative, the team was able to facilitate the design of the future role requirements and map out the various transformation pathways to effect that change 	<ul style="list-style-type: none"> Precise identification of skills gaps, future role requirements and new talent demands Increased awareness and ownership among business leaders in proactive planning of their staff current employability and future capability Creation of individualised learning roadmaps that met both business and employee aspirations

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SUCCESS STORIES – DECLOUT



COMPANY BACKGROUND

INDUSTRY	EMPLOYMENT PROFILE	FEATURED PRACTICES	TRIPLE STRONG FACTORS
Information and Communications 	<ul style="list-style-type: none"> Average Tenure: 4.1 years Average Age: 39.2 year old % Female: 25.4% % Foreign Worker: 7.4% 	<ul style="list-style-type: none"> Performance Management Strategic Workforce Planning Talent Acquisition 	<ul style="list-style-type: none"> Develops Local Leaders Develops Locals to Take on Senior Leadership Roles Provides Flexible Work Arrangements

HUMAN CAPITAL PRACTICES AND BUSINESS RESULTS

	CHALLENGES	KEY CHANGES	RESULTS
Strategic Workforce Planning Strategies implemented to tackle challenges of hiring local talent	<p><u>Industry Dynamics</u></p> <ul style="list-style-type: none"> DeClout faces a limited talent supply of developers in the local market, and to hire developers are costly given that there are in short supply Given the high cost of developers, DeClout had to ensure that they optimise their manpower and only hire what they need to minimise manpower costs 	<p><u>Revision of Business and People Strategy</u></p> <ul style="list-style-type: none"> DeClout's management would first plan the workforce needs of the organisation based on the objectives and targets for the following year to determine the number of hires and skills they would need Management would then determine if the manpower / skills gap could be filled by upskilling their current employees based on their capability and readiness DeClout would only consider hiring externally if the current employees' skill levels are not able to meet the needs of the organisation 	<ul style="list-style-type: none"> Improved efficiency of identifying manpower needed Strengthened linkage between Talent Acquisition and business objectives Deliberate and targeted hiring ensured hires met the organisation's needs

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