

The Importance of Workforce Planning and Attracting the Right Talent



The fight for talent has been a top-trending discussion topic in many HR-related publications, blogs, and conferences. Anticipated retirements are increasing, while the need for new talent in technical roles is growing. In addition, generational differences are presenting workforce challenges that organizations must learn to manage. The challenges in this multi-generational dynamic are retaining and engaging younger staff, while imploring older staff to commit to transferring their knowledge. All of these talent concerns aren't just a focus of HR leaders, but are also the number-one global concern for CEOs, according to a recent Harvard Business Review¹ essay. Many of the CEOs interviewed stated human capital challenges are related to operational achievement. Successful recruitment and development of talent increases operational excellence and innovation and improves customer relationships.

ScottMadden believes HR organizations are well positioned to enable companies, strategically and operationally, to navigate these current talent struggles successfully. In this first part of our talent management series, ScottMadden will discuss workforce planning and tactics for attracting the right talent. The series will continue by addressing how to manage the generational gap and transfer knowledge effectively.

Many companies spend time conducting annual planning for their future workforce needs. However, workforce planning is not effective unless the plan is linked to recruiting efforts and development of internal resources. To manage talent effectively, all components of the talent management cycle must be linked, as shown in Figure 1. In our experience, this is where companies fall short when executing their workforce plan. When a business develops its workforce plan, it must start with the long-term strategic goals of the company. These goals provide an organization with the road map on which to base resource planning. For example, an organization planning to grow significantly will have different needs from one whose strategy is to reduce operational expenses to alleviate cost pressures. By comparing the capabilities of current resources to future needs, companies are then able to map resource requirements based on staff, position, skill set, location, geography, cost to acquire, and ease of development. Companies should particularly focus on projecting workforce retirement, critical position succession plans, upcoming expansion opportunities, and expected turnover outside of retirements.

Anticipating Worker Retirements

It is important to note that comparing future needs with current state capabilities will allow for other important analyses critical to the workforce plan. One such analysis focuses on anticipating worker retirements. Companies have used multiple approaches to project retirements accurately. Several companies have directly asked all employees, “What do you plan to do in the next two to three years?” These companies are able to gauge retirement levels more effectively. However, this approach is only successful if employees do not feel they will be viewed differently upon reporting their retirement plans. At other companies, similar data is gathered through anonymous surveys.

Using Contractors and Outsourcing Effectively

A second important analysis determines how the company would like to use external resources, such as contractors, outsourcing

partners, and other “buckets” of talent that can supplement the employee base. Contractors and outsourcing can be effective when used for the right reasons.

Contractors are ideal for short, project-based work efforts in which the contractor supplies unavailable critical skills or expertise or when manpower is needed for a defined period of time. Yet, when contractors are used excessively, companies lose competencies and skills that they may not be able to re-acquire. Additionally, when contractors shift from defined projects to long-term staff augmentation roles, a company’s costs can increase significantly. Without the proper controls, it is not unusual to see contractors perform a set of non-project-based work activities continuously for years.

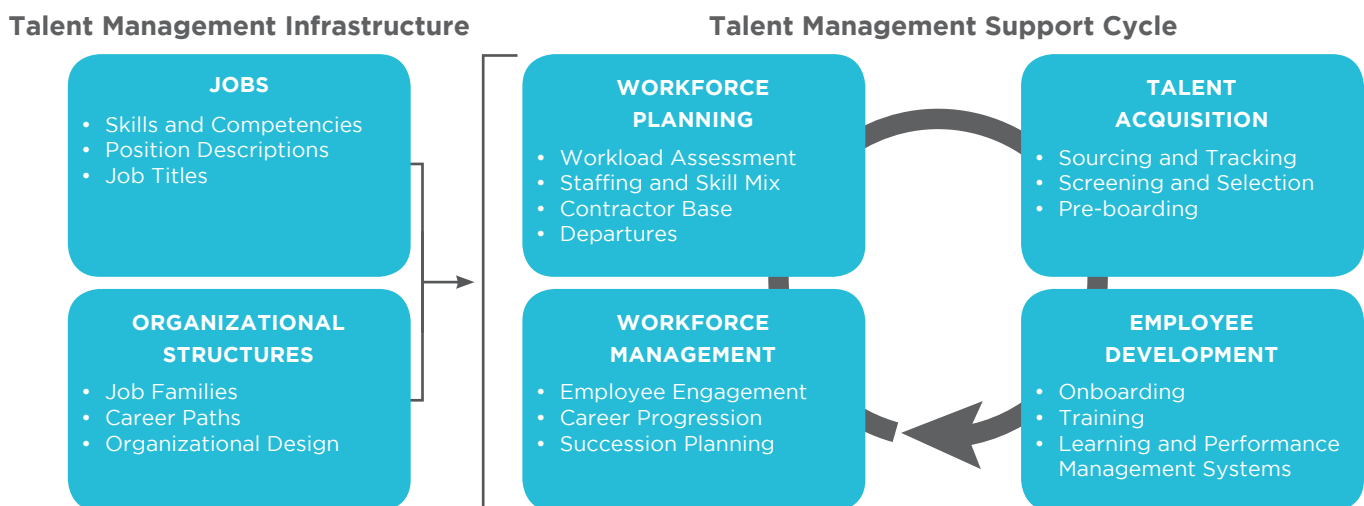
Outsourcing can also be an effective way to manage workload. However, companies should be cautious about the work they choose to outsource. When effectively deployed, outsourcing should involve either non-strategic work activities or those for which the company lacks expertise or scale. Management must provide governance and oversight of the outsourced service provider using proper controls, a defined scope of work, and a projected timeline.

Establishing Required Skill Sets

A third analysis establishes the competencies and skills needed for the future work environment. Future state core competencies and skills will need to be redefined from those historically valued to close identified gaps. This analysis will help inform training and hiring needs related to the plan.

Upon completion of the workforce plan, companies should ensure that all stakeholders are on board with the plan and its components. This will help prevent deviations from the plan and ensure recruitment activities are targeted appropriately. Following this proven ScottMadden approach for workforce planning will help organizations be positioned for success in overall talent management.

Figure 1: ScottMadden’s Talent Management Framework



1. Boris Groysberg, The 3 Things CEOs Worry About the Most, 2015

For years, executives have struggled to attract the right talent for their business. Human capital challenges are considered to be among the top global concerns for CEOs, according to The Conference Board 2016 CEO Challenge Survey. Most CEOs understand that a talented, engaged, and properly motivated workforce must be in place in order to increase operational excellence, drive innovation, and improve customer relationships. Additionally, today's generational differences are introducing workforce dynamics that organizations must learn to manage to satisfy and retain their staff.

Attracting the Right Talent

As the competition for talent rages on, some companies are starting to think outside the box. For example, in many industries, analytical skills are in high demand but are hard to find. Companies in search of these skill sets are starting to look at non-traditional fields and positions, such as a clinical trial analysts, epidemiologists, and research scientists. Using non-traditional searches will help in nearly all career fields.

Second, the Millennial generation is growing in the workforce. To attract younger workers, companies, their practices, and their cultures must be appealing to Millennials. With companies finding it difficult to fill critical positions and Millennials not finding jobs that meet their needs, this does not seem to be the case. ScottMadden believes there are ways to resolve this imbalance by building the right talent, enhancing the employee value proposition, and thinking outside the box.

Building Talent—Not Just Hiring It

Many companies search for candidates that possess specific skills and competencies. What companies often miss in this search, however, is whether an applicant is a fit with the company's culture. Base-level competencies (i.e., problem solving or communication) should be given more attention instead of focusing strictly on specific job skills. Employees that fit a company's culture and have base-level skills can be trained and developed on job-specific competencies. Hiring for fit and developing skills can be achieved through utilizing assessment center interviewing and creating multiple paths to allow for skill development prior to hiring (i.e., internships, co-op programs, Science, Technology, Engineering & Math (STEM) high school programs, alliances with community colleges and technical schools, onboarding training programs). Applying these methods can help the search for qualified candidates and yield better results.

When it comes to hiring Millennials, it is important to offer employees a value proposition that emphasizes flexible work opportunities, technology improvements, social and environmental involvement, and career growth options for all position types. Re-energizing the company brand, recruiting materials, and employing culture to portray a fun, vibrant, and challenging work environment is appealing to Millennials. The latest recruitment methods, such as apps, video interviewing, and onboarding portals, are additional tactics that are recommended for improved Millennial talent acquisition.

Thinking Outside the Box

Recognizing constraints in workplace environments that make "having fun" a difficult thing is critical when it comes to recruiting and retaining top talent. Thinking outside the box to improve company culture should be a priority when corporate environments are lacking a positive and fun atmosphere. Several ways to improve workplace culture include, but are not limited to:

- Implementing friendly competitions
- Developing employee recognition portals
- Encouraging young employees to contribute
- Fostering a workplace environment where employees are empowered
- Building cohorts of new hires who work and play together
- Providing internal resources and opportunities to grow and develop

A growing need for attracting the necessary talent is a natural byproduct of success. Overall, recognizing areas of improvement in the workplace, enhancing the value proposition, and helping new hires grow are three critical changes a company must undergo if it wants to bring in and retain the right talent while assuring employees that the company meets their needs.

In the final article of this series, ScottMadden will highlight the importance of preparing for the exit of significant talent and suggested practices for managing the generational gap.

How ScottMadden Can Help

Are you ready to transform your talent management practices? Since many companies are facing extraordinary talent challenges, you can't afford to wait. The companies that approach talent strategically and tactically while implementing a thorough action plan will have better chances for increased progress and success.

Get started with our sophisticated Talent Management Assessment. The assessment enables you to:

- Integrate and strategically align your talent cycle
- Develop competency-based performance reviews
- Identify and correct technology constraints and issues
- Utilize performance data more effectively
- Develop focused career paths and connect them to credentialed training and certification
- Eliminate gaps in succession planning throughout the organization
- Help revitalize leadership commitment to developing new talent
- Correct management weaknesses that leave employees "feeling missed"

Smart. Focused. Done Right.®



scottmadden
MANAGEMENT CONSULTANTS

LOCATIONS

ATLANTA

3495 Piedmont Road, NE
Building 10, Suite 805
Atlanta, GA 30305
404.814.0020

RALEIGH

2626 Glenwood Avenue
Suite 480
Raleigh, NC 27608
919.781.4191

WESTBOROUGH

1900 West Park Drive
Suite 250
Westborough, MA 01581
508.202.7918