

# Supporting Strategic Staffing/Workforce Planning: HR Structure and Required Skills

By now you should have a good idea of what an effective strategic staffing/workforce planning process entails, as well as an understanding of the context within which that process should be implemented. But how should the HR function be structured to support strategic staffing/workforce planning? And what skills and capabilities should HR staff possess in order to play the roles that they are expected to play?

This chapter provides at least one structure for the HR function that is capable of supporting strategic staffing/workforce planning on an ongoing basis. Other structures may also be appropriate, but the one I present here has proved effective in several companies. Needless to say, I am not expecting you to implement this structure right away. However, this chapter might provide you with a vision of what your HR structure might be at some point in the near future.

Some of you may have adopted this structure (or something similar) already. For those that have, you might find opportunities to fine-tune the roles that your people are playing within that structure. Those of you that have a different structure for your HR function may wish to implement the structure just as it is described or try to “cherry-pick” the parts that you think might be needed in your situation.

With regard to skills and capabilities, there may be less flexibility in what is required. Regardless of how you choose to organize your HR function to support strategic staffing/workforce planning, the HR staff that are involved in the process must have certain capabilities and perspectives if the strategic staffing/workforce planning process is to be implemented successfully. I have tried to identify and describe the most critical of these required skills and capabilities for each staff role I have described.

## Should Strategic Staffing/Workforce Planning Stand Alone?

In my work with companies, I have seen no one consistent “home” for strategic staffing/workforce planning within the HR function. In some cases, it is its own unit (even if it is a “unit” of one person!). In other cases, workforce planning is located within another, more traditional HR function (such as recruiting or staffing). I have also seen workforce planning included within Talent Management, Succession and Development, and even Diversity Planning.

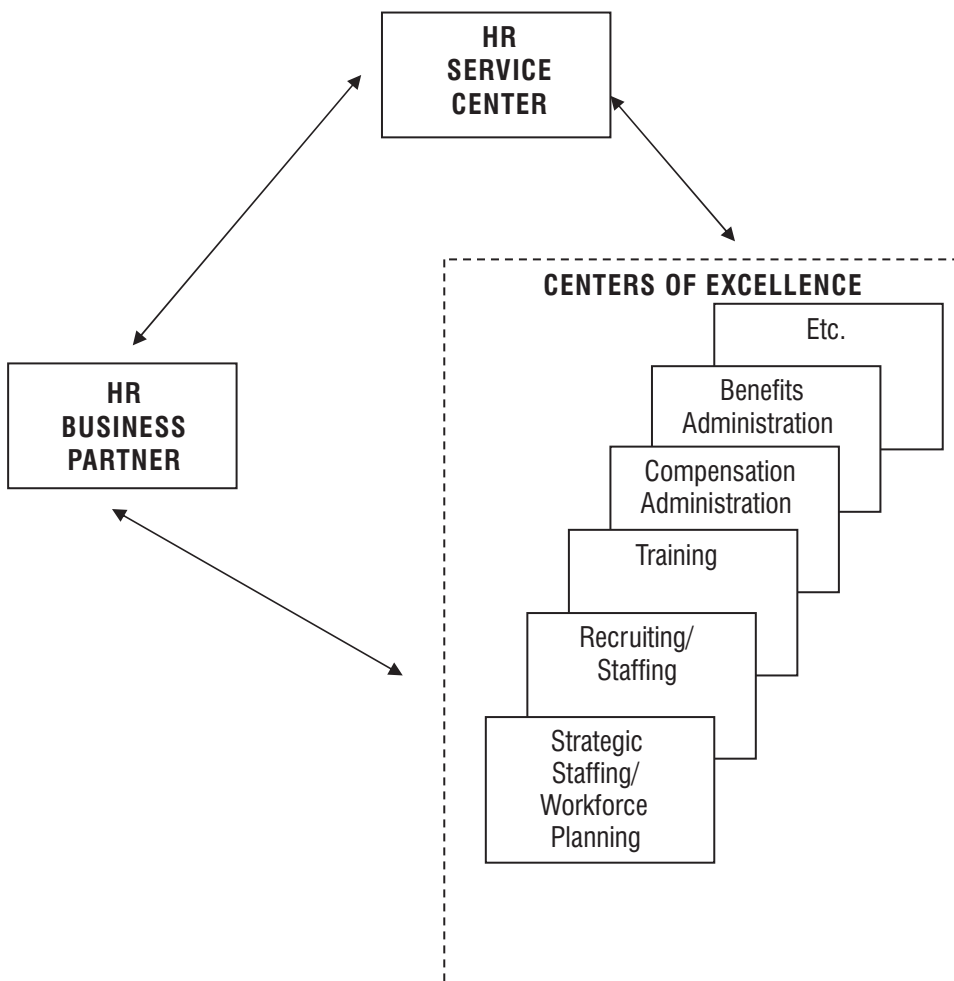
From my perspective, strategic staffing/workforce planning is a discipline in and of itself. It has its own roles, accountabilities, and expectations, and it feeds nearly every other HR function (e.g., staffing, recruiting, training, development, and succession). As a result, it simply cannot be linked to just one of those functions. When strategic staffing/workforce planning is first implemented, it is possible that the workload it generates can be handled along with that of another function. However, as soon as the value of workforce planning is recognized, demand for the process will generate much work and require significant resources. At that point, it is unlikely that the staff of any unit that combines workforce planning and another function will be able to do a good job of either one. Further, strategic staffing/workforce planning requires a set of skills and capabilities that other HR functions don't. Consequently, strategic staffing/workforce planning warrants its own unit within the HR function. In the recommendations that follow, I have assumed that there will be a unit of some kind that is dedicated to workforce planning—but don't jump to any conclusions regarding what the role of that function will be!

## The Overall Structure of HR

Before focusing on strategic staffing/workforce planning, I'd like to provide an overall model of what I think the organization of the HR function should be. While this proposal is completely consistent with my recommendations regarding workforce planning in particular, the overall structure could also be implemented in an organization that has no dedicated workforce planning capability at all. Figure 16-1 provides a schematic of what this structure looks like.

This HR structure has three major components that work together to meet the needs of line managers. At times, two components might be sufficient; at other times, all three are needed. In the case of workforce planning, I believe that there is a role for each of the three components on an ongoing basis. Here is a brief description of each component.

**Figure 16-1. A Suggested Organization Structure for Human Resources.**



***The HR Service Center***

Let me start by saying that the following paragraphs apply equally well whether you have an in-house service center or one that has been outsourced. A well-designed, efficiently run HR service center is the cornerstone of any HR function. While grouping like activities in a service center setting might reduce operating costs, that is not its major objective. The service center should be taking on all of the administrative and repetitive tasks so that managers and HR staff don't have to allocate any time or resources to these nonstrategic (though absolutely necessary) tasks. The more time managers and HR staff spend on short-term/tactical issues and administration, the less time they have to spend on longer-term, more stra-

tegic concerns. Once freed of these responsibilities, managers and HR staff can concentrate on things strategic—including workforce planning.

The normal role of the service center is to provide basic administrative support to the HR function. For many organizations, this includes benefits administration, salary administration, HRIS/data management, and governmental reporting. But in the organization structure I am proposing, the service center needs to play a much more extensive role than this. It should handle any and all HR tasks that are regular, repetitive, or not related to the needs of a specific business. This should include such activities as:

- Applicant tracking
- Basic applicant screening (e.g., conducting initial interviews)
- Ongoing recruiting to meet regular, nonstrategic needs (e.g., replacement of administrative staff), including identifying, evaluating, and presenting slates of qualified candidates
- All regular, recurring job posting activity
- All repetitive training (e.g., first-level management courses), including all orientations
- Basic career planning and development programs
- Day-to-day labor relations concerns
- Administration of any and all “employee self-service” activities

This list is by no means exhaustive. There could be many more activities in your organization that should be performed within a service center.

The service center will also play several key roles in supporting workforce planning:

- Since the service center is handling much of the day-to-day activity of recruiting and staffing, HR functional staff will have the time they need in order to focus on and address the most critical issues that they are facing. No longer will those staff need to put off addressing strategic staffing issues in order to fight the fires of the day.
- The service center will be the source of much of the data that are needed to create and run staffing models (e.g., past turnover data needed to develop future projections, accurate information on current employee headcounts, lists detailing retirement eligibility).
- It is also likely that the service center will host and maintain the workforce planning web site. This will allow the workforce planning unit to focus on value-added planning and staffing work instead of administration.

With regard to required skills, these HR service center functional leaders will need such skills as:

- A basic understanding of the business of each unit
- An in-depth understanding of the appropriate function (e.g., recruiting)
- Good communications skills (both giving and receiving information)
- A good understanding of the strategic staffing/workforce planning process (especially the expected outputs, such as staffing plans and actions)
- Good organizational skills
- The ability to evaluate and set priorities (e.g., which “fire” to fight first)
- An “efficiency” mindset (e.g., the ability to get a lot of good work done in a speedy, cost-efficient manner)

### ***HR Business Partner***

Many organizations have this position, but few of them define the role as it should be defined. When implemented effectively, the HR business partner is meant to be a very strategic role, focused on helping the business unit to meet its long-term objectives. As a valued member of the strategic inner circle of the business unit, the HR business partner is meant to help senior managers to identify and address critical, long-term HR issues such as:

- Identifying and addressing the HR implications of business plans and strategies
- Defining the implications of major organization changes
- Implementing and supporting executive succession and development activities
- Identifying high-level talent management gaps and developing appropriate strategies
- Using strategic staffing/workforce planning, working with managers on an ongoing basis to:
  - Identify critical staffing issues and implications
  - Define staffing requirements
  - Gather input regarding turnover and retirement scenarios
  - Review staffing model output and develop staffing strategies
  - Work with managers to define realistic staffing plans and actions

(e.g., identifying who will actually be promoted or redeployed, identifying which positions will be contracted out)

- Monitor unit staffing plans to ensure that they are being implemented as expected and that staffing needs are indeed being met

Take special notice of that last item—it is one of the most important roles that an HR business partner can play. Note that the business partner role includes nothing that is tactical or short term. To be effective, the business partner must focus on the big picture.

To play this role effectively, an HR business partner must have such skills and capabilities as:

- An in-depth knowledge of her business unit (i.e., an understanding that is on a par with that of the business leaders of that unit)
- An ability to think and act with a strategic perspective
- The confidence of and credibility with managers, from a peer-to-peer perspective
- The ability to communicate effectively with (and appropriately challenge) line managers
- A good understanding of the strategic staffing/workforce planning process and its objectives
- An in-depth understanding of staffing processes (remember my very broad definition of what staffing includes)
- Creative problem-solving skills

Many organizations that have the business partner role implement it in a most ineffective way. Somehow, the business partner has become a kind of “one-stop shop” for addressing any or all HR problems faced by the business unit. In most cases, this means that the partners are not supporting strategic decisions, but are instead focusing on tactical issues, short-term crises, and day-to-day firefighting. So much time is spent on these short-term problems that the partners have little or no time or resources to allocate to things strategic. This approach also tends to lead to a vicious downward spiral. The more HR business partners become involved in day-to-day problems, the deeper they fall into this abyss. When this happens, they have even less time to perform the strategic role that is the very focus of the position. But if HR business partners do not address these strategic issues, who will?

Clearly, the short-term issues of the business unit need to be addressed. If this is not the job of the HR business partner, how will those

problems be solved? From my perspective, there are at least two things that need to happen:

- Many of the short-term issues can be dealt with by staff in the HR service center. Remember that I have suggested a role for the service center that includes responsibilities for compensation, recruiting, staffing, training, labor management, and other such areas. When managers are facing short-term problems in these areas, they should turn to the service center, not the HR business partner.
- Still other short-term problems can be addressed by employees themselves and thus require no input at all from the business partner. Employees are perfectly capable of participating in posting, signing up for training, and keeping their HRIS records and other profiles (e.g., internal career résumés and development profiles) up to date. Middle- and lower-level managers can work directly with the service center to fill approved positions, replace regular turnover, conduct employee orientations, and run basic training programs.

By eliminating the time spent on these day-to-day issues, HR business partners will suddenly have time and resources to allocate to strategic staffing/workforce planning. There might, however, be two obstacles to overcome (both of which are of our own making) if the partner is to be truly strategic:

- Stop measuring HR business partners' performance in terms of how quickly they respond to short-term crises. Similarly, no longer gauge management satisfaction with business partners' service by measuring how well they address short-term, tactical problems. Instead, use those measures to evaluate the overall performance of the service center. Consider evaluating how well managers utilize service center support and capabilities. Finally, develop and apply more strategic measures to assess HR business partners' performance.

- The second change is more sensitive. Many HR business partners gravitate to more tactical roles and choose to respond to short-term issues because they lack the skills, capabilities, or inclination to operate in the realm of strategy. These people prefer to fight fires rather than identify and address strategic issues. They address short-term problems not because managers are forcing them to do so, but rather because they are more comfortable operating in a near-term, reactive environment. Some of these HR business partners may be intimidated by senior managers (or lack the confidence of or credibility with those managers). Others lack strategic perspective. Still others may lack the in-depth understanding of

the business that is necessary (even though they may think that they may have that understanding). As you implement the strategic role of HR business partner, don't just define a new set of accountabilities. Make sure that you fill each HR business partner slot with an individual who has the experience, perspective, understanding, and capabilities to truly "partner" with line managers in a strategic arena. Finally, consider having the partner report directly to the head of the business unit, not to the head of HR. It is difficult to partner with a group that works together on a constant, day-to-day basis if you are viewed as an outsider or a visitor. Sometimes you just have to be "inside the tent" to be privy to what is really going on.

### ***Strategic Staffing/Workforce Planning (SWFP) "Center of Excellence"***

As you read these paragraphs, remember that at first this might be a "unit" of one individual. Also, bear in mind that some of what is described here is an organic role that develops and expands over time as demands for services and the availability of staff and resources all grow.

The SWFP unit is the organization's "expert" on strategic staffing/workforce planning. The staff of the unit work with all the HR business partners as internal consultants to help them to identify, and develop strategies to address, their most critical staffing issues, drawing support from the HR service center as required. Over time, a strategic staffing/workforce planning leader may head up a small unit that provides strategic staffing/workforce planning services to the organization.

On an ongoing basis, the unit is responsible for such things as:

- Creating, updating, and maintaining strategic staffing/workforce planning processes that meet the company's needs and are appropriate in terms of size and scope
- Working to support HR business partners and line managers as required so that they can implement the strategic staffing/workforce planning process effectively and efficiently
- Helping partners and managers to apply the process to "frame" and address particularly difficult or complex staffing issues
- Working with HR service center staff to create and implement the near-term staffing and development plans that are needed to implement long-term staffing strategies
- Identifying opportunities to manage staff across business units or implement coordinated staffing strategies that address common staffing issues

- Developing staffing cost analyses
- Developing and maintaining a strategic staffing/workforce planning infrastructure (including creating and updating the web site and developing and conducting workforce planning–related training)

Note that this role can be played only within the context of the organizational changes and accountabilities described earlier. The leader can support the business partners only if those partners understand and play the roles I have defined. The leader can define and implement coordinated staffing strategies and plans effectively only if the HR service center is providing the services that I have described.

Initially, the leader probably will need to be directly involved in workforce planning in order to demonstrate its value to the organization and train others (e.g., HR business partners) in the process itself. As this organizational capability is developed, the role can gradually “morph” into the long-term role that is described here.

In order to play this role, the strategic staffing/workforce planning leader should possess such skills and capabilities as:

- An in-depth understanding of strategic staffing, including its objectives, the process itself, the application of process results, and a mastery of the tools and techniques to be employed
- An in-depth understanding of the business of each unit
- A strategic, big-picture perspective—thinking both long term (e.g., five to ten years in the future) and broadly (e.g., identifying opportunities to implement solutions that span units)
- The confidence of and credibility with managers, from a peer-to-peer perspective
- The ability to communicate effectively with (and appropriately challenge) line managers
- The ability to identify, frame, and describe potentially complex staffing issues and implications
- The ability to describe complex staffing issues, implications, and solutions to line managers in terms that they can understand
- A good understanding of all the staffing processes that are used by the organization and the staffing options that are available (again, remember how inclusive my definition of staffing is)
- A cross-HR functional perspective (e.g., recognizing that the solution to many staffing issues will require input from several HR functions)
- A results orientation (e.g., focusing on solving staffing-related problems, not just creating workforce planning processes)

- Creative problem-solving skills
- Good organizational skills and a penchant for detail
- Basic financial analysis skills (e.g., the ability to define the financial implications/cost savings of staffing strategies or determine the costs of implementing specific staffing plans)
- An intermediate mastery of spreadsheet technology
- A basic understanding of web site design
- Basic supervisory skills (for when the unit becomes more than a unit of one)

Note that some skills that are traditionally associated with the position are not included on this list:

- An in-depth knowledge of spreadsheet technology is not needed because the staffing models that are built and applied are just not that complex.
- An in-depth understanding of the capabilities and content of your HRIS is not needed because the detailed interaction with the HRIS will be handled by the HR service center, not this position. The service center will also provide any data mining that is required.
- A mastery of external demographic data and analysis is not required because external demographics play a limited role in this version of workforce planning. If such analysis is needed, it can be better provided on an as-needed, cost-effective manner by external consultants.
- An in-depth understanding of web site design and maintenance is not needed. Such web site administration and support will be provided by the service center.
- Research skills are not required. If your workforce planning leader is doing in-depth data research, then he is moving down the wrong path. Such research rarely helps an organization to identify and address the critical, company-specific staffing issues that it is facing.

Suppose for a minute that you do not have someone in your organization that meets all these criteria. Is it better to take a staffing professional and develop in that person the understanding of the business and strategic perspective that the position requires, or is it more effective to take an effective business leader (who presumably already understands the business and can think strategically) and teach that person workforce planning and staffing? In this situation, most organizations would reach out to the HR or staffing professional and try to develop the missing business and

strategy-related skills. I suggest that you do the exact opposite. An understanding of the business and strategic perspective is a capability that in the best of cases takes a long time to develop. Some might even suggest that such a perspective is an innate capability that people either have or don't have. Strategic staffing/workforce planning, on the other hand, is a logical process that can be quickly mastered. Thus, it will probably be far easier (and more expedient) for you to select a strategic business leader and teach her workforce planning than to choose an HR professional and develop that person's business understanding and strategic perspective.

### Final Thoughts

Here are some final thoughts on this structure and these roles. Note that if they are implemented as described, there may not be large functional units within HR. As is the case with strategic staffing, each HR function may have a small unit that focuses on strategic issues. Figure 16-1 refers to these as "centers of excellence," but they could be just as well be labeled "centers of expertise." These centers are not involved in anything tactical, however. All of the functional support and administration is provided within the structure (and reporting relationships) of the HR service center. Figure 16-2 provides a table that describes how strategic staffing/workforce planning roles and accountabilities might be allocated to various HR positions. It is based on a table that I produced for a client recently. It is fully consistent with the ideas in this chapter, but it was developed to meet the particular needs of a specific company. Thus, it may differ slightly in terms of the level of detail it contains. Still, it is a good example of how one organization actually implemented the structure I propose.

**Figure 16-2. Sample Workforce Planning Roles for HR Staff.**

<b>WFP Process Step</b>	<b>HR Business Partner</b>	<b>Local HR Representative</b>	<b>WFP Lead</b>	<b>Recruiters</b>
1. Identify critical staffing issues	<ul style="list-style-type: none"> <li>Review business strategies and plans</li> <li>Identify staffing implications of facility plans (e.g., replacing and existing facility)</li> <li>Identify staffing implications of departmental or functional business plans</li> <li>Identify staffing issues that do not arise directly from business plans (e.g., retirement)</li> <li>Assess issue criticality and identify those issues that require WFP</li> </ul>	<ul style="list-style-type: none"> <li>Support the identification of critical staffing issues</li> </ul>	<ul style="list-style-type: none"> <li>Help to "frame" or define staffing issues appropriately</li> <li>Support the identification and definition of potential staffing issues that span departments or facilities (e.g., competitive threats)</li> </ul>	<ul style="list-style-type: none"> <li>Alert HR Business Partners and/or WFP Lead when significant recruiting issues arise (e.g., increased competition for talent, shrinking external talent pools)</li> </ul>
2. Define staffing gaps and surpluses	<ul style="list-style-type: none"> <li>Provide input regarding staffing requirements</li> </ul>	<ul style="list-style-type: none"> <li>Support the creation of staffing models</li> <li>Gather staffing requirements</li> </ul>	<ul style="list-style-type: none"> <li>Create and "load" staffing models</li> <li>Provide initial supply information (e.g., current headcount, historic turnover, retirement eligibility)</li> </ul>	
3. Develop staffing strategies*	<ul style="list-style-type: none"> <li>Provide input regarding staffing strategies</li> <li>Review proposed staffing strategies to ensure that they are appropriate</li> <li>Identify possible local implications of staffing strategies (e.g., where one facility may be affected adversely)</li> </ul>	<ul style="list-style-type: none"> <li>Develop "cross functional" staffing strategies in consultation with managers</li> </ul>	<ul style="list-style-type: none"> <li>Work directly with HR Consultants to support the development of particular staffing strategies</li> <li>Work directly with managers, HR Business Partners, and Local HR Reps to develop staffing strategies for issues that span departments or facilities</li> <li>Identify opportunities to develop staffing strategies that span facilities or departments</li> </ul>	<ul style="list-style-type: none"> <li>Provide input (e.g., "reality checks") regarding the hiring components of staffing strategies</li> <li>Suggest recruiting strategies</li> </ul>

\*Note that staffing strategies incorporate retention strategies

**Figure 16-2. (Continued)**

<b>WFP Process Step</b>	<b>HR Business Partner</b>	<b>Local HR Representative</b>	<b>WFP Lead</b>	<b>Recruiters</b>
4. Define staffing plans	<ul style="list-style-type: none"> <li>Review proposed staffing plans to ensure that they are realistic and cost effective</li> </ul>	<ul style="list-style-type: none"> <li>Develop staffing plans (in consultation with managers) that allow the most effective implementation of staffing strategies</li> <li>Document staffing plans</li> <li>Act as a "broker" to coordinate the work of HR staff (on a cross functional basis) so that staffing plans can be implemented</li> <li>Define staffing costs</li> <li>Evaluate the cost implications of staffing plans</li> </ul>	<ul style="list-style-type: none"> <li>Work directly with Local HR Reps to support the development of particular staffing plans</li> <li>Work directly with managers, HR Business Partners, and Local HR Reps to develop staffing plans for issues that span departments or facilities</li> <li>Support the development of staffing cost analyses</li> </ul>	<ul style="list-style-type: none"> <li>Provide direct input to the development of the hiring components of staffing plans</li> <li>Provide information regarding recruiting costs</li> <li>Develop the specific recruiting plans needed to support the implementation of staffing plans</li> </ul>
5. Implement staffing plans	<ul style="list-style-type: none"> <li>Facilitate staffing moves (of internal candidates) among facilities</li> </ul>	<ul style="list-style-type: none"> <li>Work with managers to implement the "non-recruiting" components of staffing plans (e.g., identifying individuals to be promoted or redeployed)</li> </ul>		<ul style="list-style-type: none"> <li>Source candidates needed to implement WFP</li> <li>Interview and assess these specific candidates</li> <li>Work with managers to assess and select candidates</li> </ul>
Ongoing	<ul style="list-style-type: none"> <li>Provide input and feedback to the WFP Lead regarding the WFP process (e.g., opportunities to improve effectiveness)</li> <li>Keep up to date on changes in business plans (both proposed and actual) in order to identify possible staffing issues</li> <li>Notify Local HR Reps and/or WFP Lead when new or updated workforce plans may be required</li> <li>Provide input to selection and retention programs</li> <li>Educate managers regarding the need for and benefits of WFP</li> </ul>	<ul style="list-style-type: none"> <li>Monitor/track the implementation of staffing plans to ensure that needs are being met</li> <li>Educate managers regarding the need for and benefits of WFP</li> <li>Update workforce plans for the "next cycle"</li> </ul>	<ul style="list-style-type: none"> <li>Educate managers regarding the need for and benefits of WFP</li> <li>Maintain the effectiveness of the WFP process (e.g., gathering and incorporating feedback from users)</li> <li>Maintain tools and supporting resources</li> <li>Manage the internal WFP "web site"</li> <li>Modify the structure of existing staffing models when necessary (e.g., adding rows or columns when necessary)</li> <li>Work with Local HR Reps to update existing workforce plan information</li> <li>Provide ongoing WFP consulting to managers, HR Business Partners, and Local HR Reps (e.g., helping them apply the process to address complex staffing issues)</li> <li>Work with HRIS staff to allow the continual flow of required data</li> </ul>	<ul style="list-style-type: none"> <li>Monitor and evaluate external sources of talent</li> <li>Coordinate the hiring process with hiring managers</li> </ul>

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