

Tools for SMALL Businesses

Level 1 Question 6: Do we know which competencies are needed and how to attract them?

Title	Workforce Development Plan
Why	<p>Overall, workforce planning helps an organization create a strategic framework for making staffing decisions.</p> <p>Analyzing workforce data can lead to informed staffing decisions, which can help a business reach or exceed its goals and quickly handle problems when they do arise</p>
What	<p>The process usually involves six stages:</p> <ol style="list-style-type: none"> 1. Organizational Strategy 2. Workforce Supply Analysis 3. Demand Analysis 4. Workforce Gap Analysis 5. Formulating Solutions 6. Monitoring Progress
How	<p>Key Tasks</p> <p>1. Organizational strategy</p> <p>This is an opportunity to clarify the direction in which your organization is heading in the next three to five years and look closely at strategic drivers.</p> <p>What are the short and long-term goals?</p> <p>How are market trends shifting, and what is your competition doing?</p> <p>What policy, economic, or workforce challenges will the organization be facing?</p> <p>This stage serves two purposes:</p> <ul style="list-style-type: none"> • To clarify the broader organizational strategy in order to make sure that HR strategy aligns with it, • and to identify issues that may impact your workforce. <p>2. Workforce Supply Analysis</p> <p>Examining your current workforce situation and projected changes over time involves creating staff profiles and compiling employee characteristics, such as: age, location, salary, employment type, skills and competencies, worker satisfaction, turnover rates, numbers of employees at different levels, and pending retirees.</p> <p>The goal is to understand how well your workforce currently supports your business strategy, what skills it has to offer, and how you expect it to grow or decrease in the near future.</p>

3. Demand analysis

The information in a demand analysis consists of what type and amount of work an organization performs and what kind of changes it anticipates. Here are some questions to ask when analyzing workload demand:

How much work do you expect to have each year?

How many employees do you need to execute that work?

What is driving the work changes – increased efficiency or other changes?

Does the current workforce supply match the forecasted demand?

4. Workforce gap analysis

A gap analysis identifies the gaps between your current workforce supply and the future demand. After locating the gaps, such as skills, workforce numbers, or new roles needed, you can decide which ones take top priority based on how critical they are to reaching strategic goals. Creating an action plan for addressing gaps occurs in the next stage of planning.

5. Formulating solutions

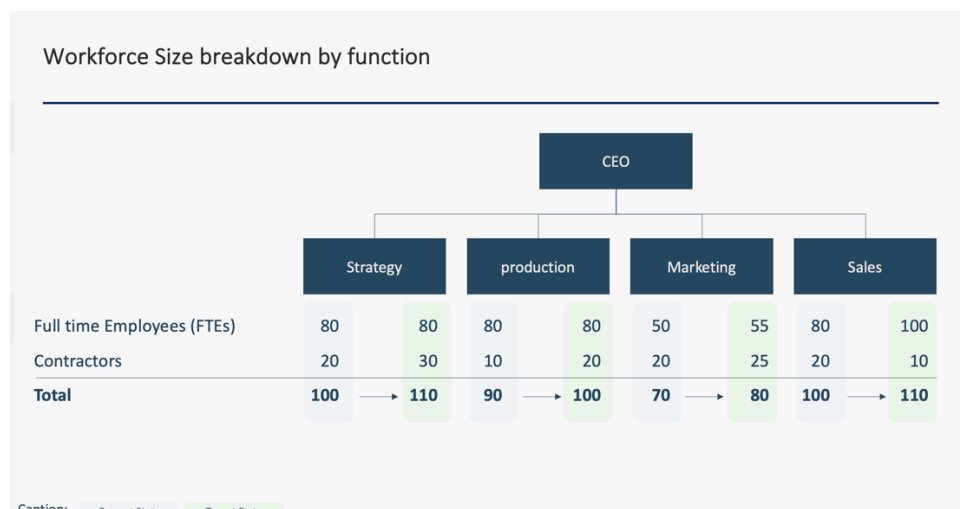
Now you are ready to find solutions for closing the critical gaps you have found.

There may be several gaps that you need to resolve, leading to a multifaceted approach.

As you formulate a plan, consider what variables might affect success, such as policies or financial resources.

Create a timeline for implementation that includes specific activities for addressing the gaps, such as training employees to increase skill levels or hiring new talent.

Examples



Template

People growth per area

Key Principles:

- Max span of control 7-10 people (needs to add additional leaders)

Function/Process	Accountable Person	Current	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
Sales								
Marketing								
Production								
Supply chain								
Development								
Customer Support								
IT								
HR								
Finance								

Skills Matrix

Skills	Team Member						
	Team Member A	Team Member B	Team Member C	Team Member D	Team Member E	Team Member F	Team Member G
Skill 1	2	2	2	2	2	2	4
Skill 2	1	2	1	3	1	1	1
Skill 3	2	2	5	4	3	1	3
Skill 4	3	2	2	4	3	2	3
Skill 5	2	3	3	3	5	4	3
Skill 6	4	3	4	5	4	3	3
Skill 7	1	4	3	4	3	3	3
Skill 8	1	3	4	5	3	2	1

See more templates on following pages

Strategic Drivers

Key Topics	
Expected OVERALL growth over the next 1-3 years	
Specific workforce challenges/bottlenecks the organization is expected to face in the short and long-term	
Challenges related to new Markets or New Capabilities	

Supply analysis

Key Topics	
Current workforce demographic	
Assessment of workforce alignment / support to current business strategy and needs	
Number of employees at each organizational level	
Attrition rates and the effect on organization's ability to deliver services	
Current distribution of employee years of service	

Demand analysis

Short and long-term organizational goals	
Plan or strategy to measure workload in the organization (include units of measurement)	
Amount of work anticipated per year, based on the strategic plan (or other projection of work)	
Number of people needed to accomplish current workloads	
Any anticipated workload changes due to efficiency gains, program changes, or other circumstances	
Plan or strategy to measure workload in the organization (include units of measurement)	

GAP Analysis

Key Topics	
Short and long-term organizational goals	
Describe the gaps between your workforce supply and workload demand.	
Identify what gaps are most critical considering the strategic goals.	
Prioritize the gaps in terms of what to address first, second, third, etc.	
Identify which gaps are most difficult and easiest to close.	
Identify which gaps have more of an effect on organizational performance.	

Solution formulation and implementation

Key Topics	
Short and long-term organizational goals	
Identify any existing workforce intervention strategies.	
Identify any applicable strategies other organizations used when faced with similar problems.	
State the most critical gaps to address.	
Assess if the solution requires a multi-pronged approach (if so, describe possible approaches).	
Identify any factors that might impede the success of the strategy (unions, federal law, organizational policies, etc.).	