COVER STORY

Strategic Workforce Planning
A Cheat Sheet for **STARTUPS**

INTERVIEW

Mr Yogesh Misra
Head Consulting
Thomas Assessments Pvt Ltd

From the Editorial **Board**

Dear Readers,

"Never doubt that a small group of thoughtful, concerned citizens can change world. Indeed it is the only thing that ever has". —Margaret Mead

We at HRidhaan, believe that HR is not just an intuitive field and is imperative to encourage it as a systematic body of knowledge. Human Resources have evolved from being a support function to one of the key drivers of an organization's success and organizational change.

Keeping in spirit the driving principle of Human Resources to foster and further the "human" in human resources, HRidhaan, take extraordinary pride in bringing you the first edition of **"Consilium",** the HR magazine of IIM Raipur. The magazine received an overwhelming response from the industry and academia alike with articles from over 20 B-Schools in India. This magazine indulges to the needs of all the HR Professionals and HR enthusiasts to take the discipline higher through continuous and collaborative learning. It goes out to all the pioneers who have a dream in their eyes and encourage others to share it.

While the importance of having a robust workforce has always been implicitly accepted, linking it to the strategic pursuits of an organization is a recent development. The Cover Story **" Strategic Workforce Planning: A Cheat Sheet for Startups"** attempts to highlight the importance of Shaping workforce planning of a startup with its organizational strategy to meet the firm's long term objectives.

Our section **"Articles"** covers insights from various B-School students on the theme "Strategic Workforce Planning" and related aspects. **"Students Corner"** talks about students' experiences in the industry and how it is different from the life in a B-School. **"Industry Speaks"** and **"tête-à-tête"** gives insight from industry professionals and ponders upon the discipline of HR from the industry point of view.

This magazine is an endeavor to unite a gathering of like-minded experts and utilize their astuteness and imagination to improve the nature of commitments and investigate new plans to make this magazine keener.
Please send in your feedback and suggestions at hridhaan@iimraipur.ac.in

Happy Reading!
Team HRidhaan

contents

10

COVER STORY

Strategic Workforce Planning: A Cheat Sheet for Startups

24

têteatête

Interview

Mr Yogesh Misra
Head Consulting
Thomas Assessments Pvt Ltd

> ❝ Time for HR has come to take its rightful position on the board however, this place has to be earned. ❞
>
> Mr Yogesh Misra

HRidhaan

Director's Message

Prof. B.S. Sahay, Director IIM Raipur

Since its inception in 2010, IIM Raipur has believed in progressing towards being a global B-school in a very holistic manner. I personally believe that all the management disciplines are equally important in the overall development of students and management science. In this regard, I take pride in presenting to you "Consilium", the bi-annual HR magazine of IIM Raipur.

With the turn of the millennium, HR has emerged as a new front, where organisations compete for supremacy in their constant quest of competitive advantage. It is a situational imperative that industry professionals, academicians and students find a common platform to formulate a shared opinion about the emerging trends and prospects for the field of HR. Apart from benefitting the students, this would also go a long way in contributing to the body of knowledge in HR.

HRidhaan, the HR Club of IIM Raipur has shown great zeal and proactivity in creating a forum for exchange of ideas and experiences through publications, events and seminars. I wish HRidhaan great success in their undertaking and hope you would enjoy reading this magazine.

About IIM Raipur

Indian Institute of Management (IIM) has been set up by the Government of India, Ministry of Human Resource Development in 2010 at Raipur, the capital of Chhattisgarh. Chhattisgarh is one of the fastest growing states of India with its rich mineral, forest, natural and local resources.

The Institute believes in preparing ethical leaders who are not only committed to business, commerce and industry but are also socially conscious towards their contribution in nation building and bring in name for the country globally. The institute is abuzz with activities carried by the student clubs which are now expanding their scope of activity and bringing luminaries from the Corporate.

Presently IIM Raipur operates from the Government Engineering College Campus, Raipur. The Government of Chhattisgarh has allotted over 200 acres of land for the proposed IIM Raipur campus in Naya Raipur. The proposed campus will be a state-of-the-art campus presenting a blissful mix of modern architecture, culture & heritage of Chhattisgarh.

Strategic Workforce Planning
An Overview

"If you fail to plan, you plan to fail"

The above quote as rightly said by Norman Vincent Peale truly describes the essence of Workforce planning. A talented and aligned workforce is crucial for bringing strategy to life and ensuring an organization delivers on its objectives. This introduces us with the concept of Strategic Workforce Planning which is now widely known to help organizations to understand the talent required to deliver their strategy.

It involves identifying, assessing, developing and sustaining employee workforce skills which are required to successfully accomplish business goals and priorities. It is vital to note that the above process is done while balancing the needs and expectations of employees. The planning process majorly comprises of identifying gaps between the labour demand of an organization and the available workforce supply, leading to strategies used to close those gaps. Integrating workforce supply and demand analysis into the strategic planning cycle ensures that an organization has the 'five rights' – the right number of people, with the right skills, in the right place, at the right level and at the right cost, resulting in the fulfillment of the business objectives.

An efficient workforce planning delivers significant improvements and competitive advantages like Right sizing of the workforce enables cost reduction which further leads to value improvement, It gives you an assurance that the business strategy can be delivered, Better productivity is achieved by aligning workforce to the operating model, It results in higher quality and timeliness of the customer delivery, Skilled and innovative workforce provides a competitive advantage, Greater staff engagement and Employee retention and lower levels of stress.

Summing it up, a Strategic workforce plan, if rightly implemented, can dramatically improve a company's ability to develop and act on strategic business opportunities.

HRidhaan

What, Why and How of Strategic Workforce Planning

2nd

Dear Planning Challenged,

Please let yourself know: **What workforce planning is? How to begin with it and why do we need it?**

The world's economy is growing at x%, combined with increasing globalization, accelerating technological change and soaring competition. The reality of easing economic and operating pressures is a major risk to comprehend the severity of the long-term talent and skills shortages organizations are facing around the world. Albeit, for recent years of slump, market might be tempt to put Workforce Planning on the back burner but now the depth of talent shortages have starkly coming obvious initiating war for talent already.

With different publications highlighting different definitions, the basic interpretation for Strategic Workforce Planning is the process of identifying, analyzing and forecasting the talent an organization needs to achieve its strategic objectives. Although it might sound very obvious, most companies have not been in this position to determine what kind of talent is required on their strategic plan. This is the reason for which Strategic Workforce Planning requires business leaders to exercise a business-focused strategic practice that is best completed within the annual business planning process. In previous years, workforce planning had different synonyms of human resources planning, human capital planning, workforce analytics etc. The limitation of these programs was to target short-term budgeting requirements. However, Strategic Workforce Planning emphasizes on fulfilling requirements with long-term talent trends, external market influences and proactive planning. The focus is on the crucial link between strategy and HR confirming relevant HR practices and programs.

So to begin with our planning, let's look at the steps one needs to take when setting up a new function:

1) **Set specific goals**
   Find out what we're trying to accomplish. Are we trying to increase retention or employee productivity? What is the key driver which is one of the factors to that one achievement? For each goal, one needs a metric to periodically assess whether the HR systems are moving the workforce in the right direction.

2) **Adopt a forecast**
   Since we are trying to achieve a business change that is a driver to workforce change, it's better to adopt an existing set of forecast either related to sales, budget, business plan et al.

3) **Identify first movers**
   It's better to work out on the historical research of the firms which have already acted first. Tracking and benchmarking them can help an organization to draft an early-warning system.

4) **Cooperation**
   Without integrating from existing HR programs of recruiting, retention, succession planning, business relevance can't appropriately be created.

5) **Planning programs**
   To make a start, if the adopted forecast delivers revenue for business, then prioritize business units and focus on high-impact areas to achieve that objective.

Fig1. Need of Strategic Workforce Planning to build image of HR

Why do we need it?

As already marked, Strategic Workforce planning is a systematic & fully integrated organizational process that involves proactively planning ahead to avoid talent surpluses or shortages based on the premise that a company can be staffed more efficiently if it forecasts its talent needs as well as the actual supply of talent that is or will be available.

Unfortunately, even after knowing the definitions well, the way that HR people act or fail to act compounds the pain of the boom or bust phases. The issue is even though HR call themselves strategic business partners, they tend to lack a long-term, big-picture view of HR and the business. As a result, more than 90 percent of HR departments have no independent planning and forecasting function. So HR should need to understand the impact this process could make on revenues with the following reasons as to why do an organization need planning.

Planning for Talent management

Action plans outline what specific actions HR and managers will have to take in terms of talent management. They are designed to attract, retain, redeploy, and develop the talent a company needs in order to meet the forecasted quantity and quality of employees in the future. The action plans designate responsibility and outline the specific steps that should be taken in order to fill the talent pipeline and maintain the talent inventory at the levels required for the firm's projected growth rate. Each action plan has a set of goals, an individual who is responsible for making sure the plan objectives are met, a budget, a timetable, and a measurable result.
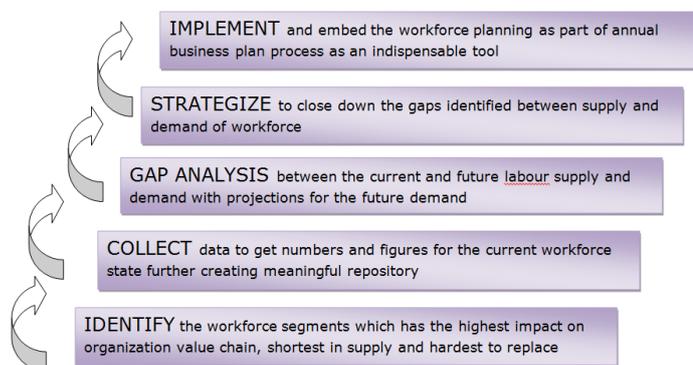
Major Components of Strategic Workforce Planning:

There is no standard format for a plan. Some workforce plans contain many components, while others contain just a succession plan for senior managers. There is no one-size-fits-all model. While there are some basic components that all plans should include, there are some supplementary components that can and will work better for some companies than others. The following is an indicative list of the most common components of a workforce plan:

➢ Succession Planning
➢ Retention
➢ Redeployment
➢ Career Path
➢ Recruiting
➢ Metrics to determine effectiveness of workforce planning

Step Forward

The primary reason for doing workforce planning is economics. If done well, it will increase productivity, cut labor costs, and dramatically cut time-to-market because an organization would have the right number of people, with right skills, in right places, at right time. Strategic Workforce planning works because it forces everyone to begin looking toward the future, and prevents surprises. It requires managers to plan ahead and to consider all eventualities. Effective planning is an integrated talent-management system that has been underused and underappreciated.

- Navdeep Kaur
MBA, 2nd Year
SIBM, Pune

IMPLEMENT and embed the workforce planning as part of annual business plan process as an indispensable tool

STRATEGIZE to close down the gaps identified between supply and demand of workforce

GAP ANALYSIS between the current and future labour supply and demand with projections for the future demand

COLLECT data to get numbers and figures for the current workforce state further creating meaningful repository

IDENTIFY the workforce segments which has the highest impact on organization value chain, shortest in supply and hardest to replace

Fig 2 Maturity Levels of Strategic Workforce

Strategic Workforce Planning Implementation

According to a Manpower Group Talent Shortage Survey 2014 conducted among 42 countries– India ranks 3rd in top ten countries that have difficulty in filling jobs. Out of 37000 employers surveyed worldwide 36% of employers report difficulty in filling jobs and 54% of employers experiencing a talent shortage say this has medium or high impact on their ability to meet talent needs.

Workforce planning has ever increasing significance in wake of these results. However, 78% of surveyed employers in Manpower Group global survey, conducted by the company's Strategic Workforce Consulting (SWC) business, either lack a workforce strategy or struggle to implement one.

SWP is positively correlated with overall performance of company.i4cp conducted survey of about 200 business and workforce planning leaders. They contrasted higher-performing (based on revenue growth, market share, profitability and customer satisfaction) and lower-performing organizations' strategic workforce planning. The result was quite shocking as more than one in four high-performers rated their programs highly or very highly effective. In contrast, the number of respondents from lower-performing companies who

labelled their strategic workforce planning equally effective was a shocking *zero*.

Drivers for SWP are: High Attrition Rate, Talent Scarcity, Organizational Restructuring, Change in Business Strategy, and Change in Macroeconomic Environment

All these leads to workforce deficit which forces companies to keep huge bench strength for safety. However, it does not solve the problem as there are requirement not only at technical level but also deficit in leadership roles such as VP's and Business Heads. The requirement for talent keeps changing with change in business strategy and competitive environment so the bench needs to be trained and tested before being deployed in suitable areas. The problem with extra workforce is also that it is scattered at different location and cannot be easily transferred when needed.

The process of SWP deals with correct demand and supply forecast of workforce. Mostly SWP is perceived as HR function rather than organizational function and hence forecasting might not be in line with key business, organizational strategy and allocated budget.
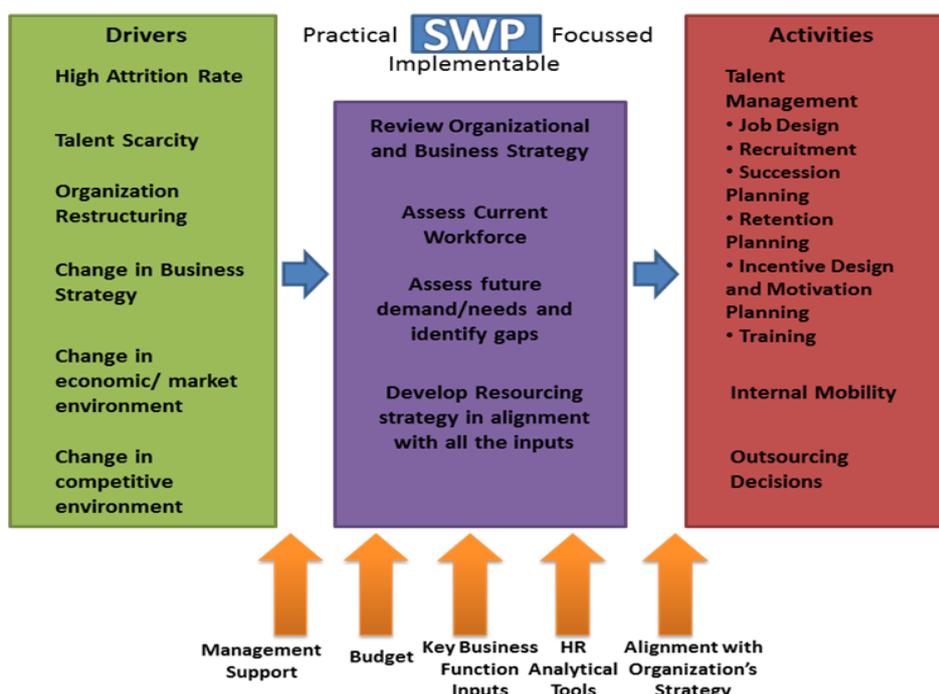
Understanding SWP: Strategic Workforce Planning (SWP) summed up in diagram given.

Forecasting is never accurate. The fight is for better forecasts. More accurate results can be obtained if the SWP process involves support from top management, inputs from key business, alignment with business and organizational strategy and then using HR Analytical tools for forecasting and planning.

In a survey conducted by Sibson Consulting Workforce planning is still primarily budget driven, reactive and fails to align with the talent challenges or strategic objective of business in a majority of organizations. They also found out that senior leadership endorsement plays a major role and appears to have significant impact on whether or not strategic workforce planning is perceived to be a core business process

If multiple initiatives are in line for consideration for allocation of resources then they are compared based on their ROI. Better ROI initiatives are given priority and implemented first. If we consider the report of Sibson consulting then they found that a majority of respondents report that their organizations cannot estimate the ROI for their workforce planning efforts due to many initiatives being immature, having unclear metrics and a lack of data or internal capability.

The activities of SWP include HR activities like job design, recruitment, succession planning, retention planning, Training, incentive design and motivational training. It also includes outsourcing decision in case the task under consideration is not the core work and it could be done more efficiently if a third party who is adept at that task could take it up and do it better at lesser price is hired to do so.

One major task for HR manager to avoid workforce deficit is to retain the existing talent. Cost of hiring and training new employee is significantly high. Retention planning and employee motivation programmes can be targeted to prevent important resources from leaving the organization. It is a common belief that extrinsic rewards and carrot and stick method work as motivators and produce better results. It is true to some extent i.e. if someone's baseline rewards are not sufficient like salary, benefits and perks then their focus would be on unfairness of their situation. However, if baseline rewards are sufficient then employee motiva-

tion has larger dimensions. As Pink points out in his book Drive, human beings are not extrinsically motivated profit maximizers but intrinsically motivated purpose maximizers. Alfie Kohn, 1993 book, *Punished by Rewards*, similarly lays out a devastating indictment of extrinsic incentives—which we persist in trying to motivate people.

Maslow's need hierarchy says that as the physiological and safety needs are met human being starts demanding reputation and recognition in social life, self esteem and self actualization which extrinsic rewards like perks and hikes could not provide. Intrinsic motivation like team recognition, client appreciation, certificate of best performance, autonomy in work and dressing etc is needed to keep employee from leaving and making their journey more fulfilling and rewarding both for themselves as well as company.

Although the implementation of workforce planning is carried out by HR managers, the preparation of plan is not pure HR function. Involvement and inputs from all the stakeholders and support from top management helps carve efficient SWP which is implementable, practical and aligned with organizational goals.

- Sana Niazi,
PGP, 2nd year
IIM Kozhikode

Strategic Workforce Planning: A cheat sheet for STARTUPS

With the rise of HR, both in terms of domain spread and perceived importance, a lot of "buzzwords" have been making the rounds of corporate and academic domains. One such term is Strategic Workforce Planning. There are multiple definitions of Strategic Workforce Planning, as demonstrated by multiple articles, white papers and research papers. The basic reason why Strategic Workforce Planning, or SWP, is doing the rounds is that it borrows the already tested methodologies from different functions such as Operations, Marketing, Finance etc. and applies them to an HR-oriented function. An advantage to this approach is that it lays the foundation to an integrated-systems approach across domains. While the formulation of a Strategic Workforce Plan and carrying out the entire process has received decent limelight in recent times, there are certain issues which any organisation faces in its implementation. This is especially true for new enterprises, or *startups*, who for the dearth of funds and entrepreneurial capabilities, begin/tend to ignore a lot of such important issues.

Strategic Workforce Planning: A cheat sheet for startups gives a checklist of sorts. This checklist is intended to point out certain issues in the form of questions; these questions may be asked throughout the SWP process or at specific instances as deemed fit by the organisation. The primary intent is to have some "strategic tollbooths" (ST) in place; these tollbooths are meant as evaluative measures to check whether the direction in which SWP is proceeding is appropriate for the organisation or not.

DOs

ST#1: Understand the role of HR in the overall business

While this may seem as an obvious statement, research shows that an overwhelming majority of the companies do not fully understand the role that the HR function plays in achieving the overall business

objectives. The ability to leverage HR in order to create organisational synergy is what lies at the heart of SWP. To better complement the SWP, one must also look at the direction in which business is going.

ST#2: Share the entrepreneurial vision

This has to come from the person at the top. Every entity has an entrepreneur whose thoughts are behind giving direction to the company. It is very important that that vision be communicated and shared with all the stakeholders in the SWP process. An entrepreneur, atleast in the initial phase of the enterprise, is running in each and every direction possible. Apart from generic task delegation, in such situations, an entrepreneur should ensure that the idea which will be driving the organisation's requirements is known and understood by all those responsible for SW planning and by extension, throughout the organisation.

ST#3: Quantify, quantify and quantify

In the current barrage of strategic up-and-comings, it is very easy to call any workforce planning as strategic workforce planning. In such cases, an important stress test could be the presence of a solid, quantitative foundation. This in no way means that an SWP must lose out on important qualitative analysis. It is therefore important that a correct balance be struck so that qualitative judgement and insights are backed by ample quantitative evidence.

ST#4: Link to succession plan

In order to better anticipate the organisation's needs at a future point of time, it is important that an element of succession planning be incorporated in the workforce plan. While this might seem elementary from a labour supply-demand point-of-view, often such undeliberated myopia causes problems which result in a ripple effect throughout subsequent SWPs, and by extension, organisational planning.

DON'Ts

ST#5: Do Not copy the best practice blindly

Every organisation has its unique identity depicted by certain OB variables like Organisational Culture etc.

These are elements which affect any workforce in myriad ways and are moreover, very difficult to capture. In order to adapt any best practice to one's own organisation, it is important to include these variables into SWP initiatives.

ST#6: Do Not fall into the "responsiveness" trap

Owing to their increased responsibilities, HR (Staffing) departments tend to become highly responsive to the demands and stated needs coming from all directions within the organisation. While this in itself is not wrong, many times these demands are of a short term perspective. Such short term initiatives have the potential to disrupt the strategic angle of Strategic Workforce Plannings. In such cases, the responsibility is that such *ad hoc* requisitions are integrated or is need be, delayed into the more holistic Strategic Workforce Planning.

ST#7: Do Not proceed without a mitigation plan

While this might seem very obvious, many organisations tend to forget the fact that backups are needed, especially in strategic initiatives, where the stakes are very high. It is important that planning for specific contingencies be made. This is not to say that specific instances are to be taken into account while formulating the Strategic Workforce Plan, but one of the most crucial contingencies to be accounted for is the failure of the SWP.

ST#8: Do Not forget to integrate with the HR systems

In startups, there are two kinds of situations which arise with respect to HR systems: one, systems are already in place and two, systems are yet to be established. While in the latter, it is easier to institutionalise SWP from the ground-up, in the former, SWP has a slightly greater caveat attached to it. When systems are already in place, organisations readily proceed with *superficial* integration. Such integration is definitely a step-up from the conventional silo-based approach prevalent in organisations. However, another step-up would be a *synergistic* integration on a departmental level, which leaves scope for greater integration.

Case Example: Human Capital Planning at 3M

In 1902, five businessmen set out to establish Minnesota Mining and Manufacturing Co. With their entrepreneurial drive as the fuel and the vision to make an innovation-driven organisation as their destination, those five businessmen laid the foundation to one of the most illustrious organisations in the world. More than a century later, that company, now known as 3M, has become a global giant. With global sales of around $30.8 billion, 3M has operations in more than 70 countries.

In and around 2006, 3M decided to expand its businesses to a global level. The then Chief Executive Sir George Buckley mandated companywide productivity gains in this transition phase; as a part of this mandate, headcount-to-revenue ratio had to be increased. It was here that SWP found its lion's share of responsibilities. In framing the SW Plan, it was very apparent that HR had an important role to play in the strategic imperative of the business (ST#1 and #2). Initially, 3M had little information about its global workforce. By the virtue of SWP, business leaders were presented with highlights, trends, and country-by-country comparisons of workforce demographics, skills gaps, productivity, and return on human capital investments (ST#3). In the case of 3M, there was another problem which compounded the initial implementation of SWP.

When 3M was planning to expand into an international foray, the major point of concern was integrating the central business in USA with its subsidiaries across the globe (ST#8). This effort was however, not a complete success which was why it was revised in 2007 by Sir Buckley. Contrary to the common practice of setting departmental targets, Sir Buckley instituted a company-wide productivity benchmark (ST#5). In the implementation of SWP, the call for a global workforce strategy was made multiple times; it was even touted as departmental/SBU requirement. However, instead of simply responding to the stated demands, when the SWP was revised in 2007, the move was made from global to a *glocal* strategy i.e. customising the needs of the workforce to the demo-geographic needs of the business unit (ST#6).

Since 2008, SWP at 3M has taken multiple new dimensions, one of them is succession planning. In 2007, succession planning was put forth as the biggest challenge that 3M's SWP was facing. This is why, when the revised SWP was brought into force, an additional component of succession planning and leadership development was added into the SWP (ST#4). As of now, 3M is contemplating the inclusion of many other practices such as scenario planning and contingent workforce evaluation, which would be in the direction of providing a cushion to the SWP (ST#7).

With the implementation and continuous revision of Strategic Workforce Planning, 3M has ensured that both line and staff functions enable the organisation to manage its most crucial resource – Human Capital – and leverage it most effectively.

Summer Internship Experience

The summer internship process or SIP as it is called is the most interesting part in an MBA curriculum. It all started with the summer placement and each one of us was waiting for our right match (Company and profile) to work in. Unfortunately or fortunately I was among the last few students to get placed. Unfortunate because I had to wait till the end where everyone in my batch got placed and fortunate because I was offered internship at *Tata Power* in HR domain my right match which was worth waiting . Being a fresher, I constantly used to ponder on how I am going to apply the management concepts and theories which I learned in my first year to practice. I was nervous but at the same time excited to taste the flavor of corporate life of which I have heard so much from seniors, friends' professors and relatives.

The date was 15th April; the D-day and I headed for my office. I was welcomed by strategic HR head, Tata Power a very warm and humble person. He very clearly explained what is expected out of me during my 60 days of internship and gave me a project on "*Promoting gender diversity in the organization*". He first provided orientation on the office environment and work culture and then he introduced me with the Talent Management team with whom I was supposed to be working with. All these seemed normal but it gave happiness to me and helped me to get adjusted soon with the office environment. Finally after having an interaction with my team I started thinking about the project which was assigned. I was puzzled and I kept recalling what all things I learned in my first year, the topics were mostly related to basic HRM, compensation management, training and development, recruitment and other. But this project was no where inline to any of these functions. With the thought of finding an answer to my question I moved ahead with this project. This ended my first day of internship.

Days progressed and my project was taking its best shape. Under this project I had to take an online survey where I was needed to understand the problems female employees encounter in their day to day life in the organization. And here comes the role of the HR manager to handle every small and big issues faced by its people in the organization. It is not about recruiting right people but more of retaining these people, not about giving huge compensation but providing safety and security. An interesting finding came while taking this survey that there is serious misperception on the employees' part that HR department works for the top management and for the raising and solving their problems.

It was clearly visible that employees don't trust HR. This is the gap which needs to be addressed. This misperception can be because either it is HR department fault on a whole for not handling the issues properly or the fault of higher authority that doesn't pay enough attention to such issues. As HR department is the front face of the organization it is always at the dock. But if such dissatisfaction continues it can lead to lower morale, lower performance leading to high attrition rate thus affecting the employer branding.

Thus, during my short tenure of the internship I understood where HR as a profession is lacking and necessary steps needs to be taken to be the "People's representative and not top management puppet."

These 60 days were the most amazing day of my life. Here I explored my inner potential and had a fortune to work and learn from such great and enthusiastic people. Now while going back to my college I was very clear what I wanted from myself and more positive and focused than I was 2 months before.

- Komal Suchak
PGP 2nd year, IIM Raipur
Company - Tata Power

Succession planning in Business Organizations

Succession planning is identification and development of potential successors for key positions in an organization, through a systematic evaluation process and training either in the short or in the long term. Unlike replacement planning (which grades an individual solely on the basis of his or her past performance) succession planning is largely predictive in judging an individual for a position he or she might never have been in. Senior level management as well as some business critical roles are some of the positions for which succession planning is vital. Effective, proactive succession planning leaves the organization well prepared for expansion, the loss of a key employee, filling a new, needed job, employee promotions, and organizational redesign for opportunities. Unfortunately, such efforts are too often underdeveloped, unevenly executed and sometimes simply ignored, which have led organizations to disaster.

Succession planning – interdependencies in a typical corporate

The board is responsible for succession planning for the executive director position. The board hires the executive director to ensure it has a skilled manager at the helm to implement the organization's mission and vision. It is therefore very important for boards to spend some time reflecting on what they would do if, or when, the executive director leaves. There are many examples of an executive director leaving only to have the organization fall into disarray: funders withdraw resources, and other key staff members leave due to lack of effective leadership. Even when provided with adequate notice, boards sometimes find themselves in the position of having to scramble to find an interim solution.

The executive director is responsible for ensuring a succession plan is in place for other key positions in the organization. These will likely be developed with help from the management team with inputs from implicated employees.

Development of a succession plan

Succession planning broadly comprises of Analysis, development, selection and transition which can be further fragmented into the following steps:

· Identifying critical positions and competencies– Workforce projection data or demographic analysis is essential in identifying risk areas. The process of competency or position profiling, help current and future employees to gain an understanding of the key responsibilities

· Identifying succession management strategies – To identify internal vis-à-vis external personnel for some of the key positions.

· Documenting and implementing succession plans – Action plan provides a mechanism for clearly defining timelines, roles and responsibilities.

· Evaluating Effectiveness – To ensure that the department or agency's succession planning efforts are successful, it is important to systematically monitor workforce data, evaluate activities and make necessary adjustments.

Through succession planning process, retention of superior employees gains significance as they appreciate the time, attention, and development that the organization is investing in them. Employees are motivated and engaged when they can see a career path for their continued growth and development. This may include lateral moves, assignment to special projects, team leadership roles, and both internal and external training and development opportunities.

Succession planning process also involves recruiting superior employees, developing their knowledge, skills,

and abilities, and prepare them for advancement or promotion into more challenging roles.

Challenges to effective succession planning

· Size of the organization: Organizations with few positions have limited opportunities for advancement; employees with the potential and the desire to advance their careers may move to larger organizations

· Lack of financial resources: employees may leave for better salaries and benefits offered in other workplaces

· In some cases, senior leaders are staying on in their positions, despite the fact that the skills needed for the job may have changed or they are no longer making a meaningful and productive contribution to the organization

· Indiscriminate inclusion of employees in the succession plan including those who are disinterested, unmotivated or lack capacity to advance

· A plan that does not promote people in a timely fashion, leading potential successors to leave the organization to seek new opportunities

· Poor communication resulting in confusion and turmoil within the organization as staff speculate about what the succession plan really is

Some real life examples

Some of the recent ongoing trends in the business world indicate that the companies are divided as far as their approach to succession planning is concerned. Even the post transition scenarios differentiate the organizations significantly. For example, Apple ex-CEO and founder Steve Jobs planned his succession for years, and built a large library of instructional and multi-media materials to help continue his legacy. Tim Cook, his successor, was also groomed for many years. In this case there were likely other candidates, but it was clear to the outside world for quite some time that Tim Cook was Jobs' replacement. But unlike IBM, where Palmisano stood aside calmly at the peak of his career, Mr. Jobs chose to work right up until his death. This is an admirable and inspirational approach, but it did not calm shareholders, customers, and employees. Apple stock dropped about 6% since this transition took place, and most Apple watchers were nervous about what will happen next.

The precedents have also shown that most companies in India are highly unprepared to deal with succession planning issues, especially when they are run by families or first generation owners. The same has been witnessed by Dr. Reddy's Laboratories and Yes Bank in the recent past. Often personal/ sibling rivalry also comes in way of smooth succession planning.

Timing and clear communication of organizations' succession planning strategy is also of utmost importance as it may lead to frustration among employees and make things go out of control. The recent trends in Infosys provides the best testimony to this fact and this is evident in sports and politics as well.

Exhibit 1: Senior-level exits in the past 6 months at Infosys

Date	Name	Position held	Remarks
Dec-13	V Balakrishnan	Member, Board of Directors; in charge of Infosys BPO, Lodestone, Finacle, India BU, Global Immigration	Previously CFO of Infosys
Dec-13	Subrahmanyam Goparaju	Head, Infosys Labs and IP cell	
Nov-13	Stephen Pratt	Head, utilities & resources, North America	Previously head of consulting & system integration
Sep-13	Kartik Jayaraman	Head, BPO sales, Australia	Joined Accenture
Sep-13	Humberto Andrade	Head, BPO, Latin America	Joined Capgemini
Aug-13	Ashok Vemuri	Head, North America and Manufacturing; Member, Board of Directors	Joined iGate as CEO
Aug-13	Sudhir Chaturvedi	Head, US BFSI	Joined NIIT Tech as COO
Jul-13	Basab Pradhan	Head, Global sales	Joined CIQr Technologies as CEO

Source: Company, Kotak Institutional Equities

Concluding remarks

Succession plan is a unique reflection of an individual organization and consequently, succession plans are as different from each other as the organizations for which they are developed. Effective succession planning aligns with the organization's long term goals. To ensure the process is fair and the succession plan considers different perspectives, seeking inputs from all key stakeholders may also prove to be worthwhile as well as helps in trust building.

- Keerthilakshmi BR
PGDM-HR, 1st Year
XLRI

Using Gamification in Recruitment & Retention Planning

"It's not about 'gamifying.' It's about driving revenue, saving costs, making people more efficient."- Bob Marsh, CEO LevelEleven

Student activity in most B-schools reaches its peak this time of the year as top recruiters launch their case study competitions. While the students rush around in a frenzy trying to analyse, interpret and present their way to PPO's/PPI's, the companies too aim to attract the best talent from across the country. Case in point- Mahindra War Room. Mahindra uses game elements of points, levels and awards in order to attract and identify potential candidates for its GMC program. Recruitment processes are time consuming and tedious for both the recruiter and recruitee. Measures such as the one taken by Mahindra, make this process engaging. That's gamification in its essence.

Gamification is the use of game elements to increase engagement in purposeful activity. It serves as a tool for intrinsic reinforcement of employees and organisational problem solving. Monotonous processes are made more engaging leading to an improvement in productivity, creativity, learning, participation and motivation. So, this concept is increasingly used in the areas of talent acquisition and retention. Last year, Society for Human Resource Management (SHRM) conference named "gamification" as one of the top 10 HR technology trends for 2014.
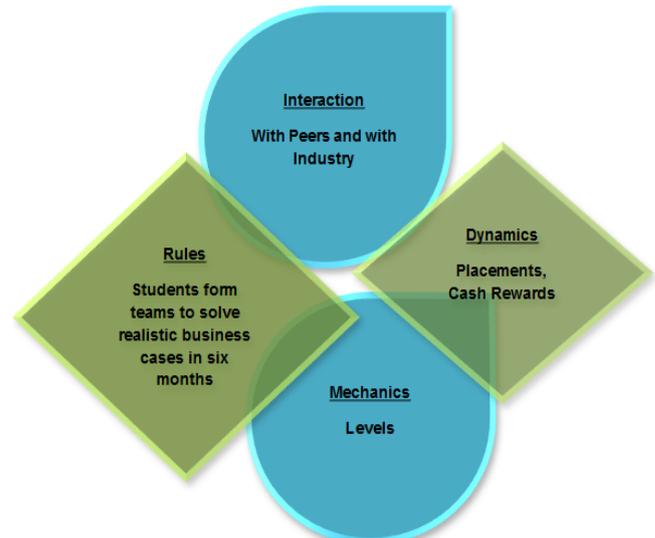
Fig2. Principles of gamification in Mahindra War Room

Changing Behaviours-One reward at a time:

With the entry of vibrant, impatient and technology savvy Gen Y in the workplace, employee engagement and retention has become challenging for organizations. Gamification gives organisations tools to tackle that challenge. For example, Marriot International, developed an online game to recruit new employees. The players had to juggle all the responsibilities of a hotel kitchen manager which helped them win virtual points. The game helped the company in its quest to attract more millennials and to get them interested in hospitality careers.

Deloitte- A leader in gamifying employee engagement and recruitment.

Deloitte uses gamification in myriad of contexts. It has gamified its training offerings from universities like Harvard and Stanford to increase the level of participation from executives (see below). Like Mahindra, it also conducts a case study competition 'Maverick' across all the leading B-Schools of India. This not only enhances employer branding but also acts as a means of attracting talent. The
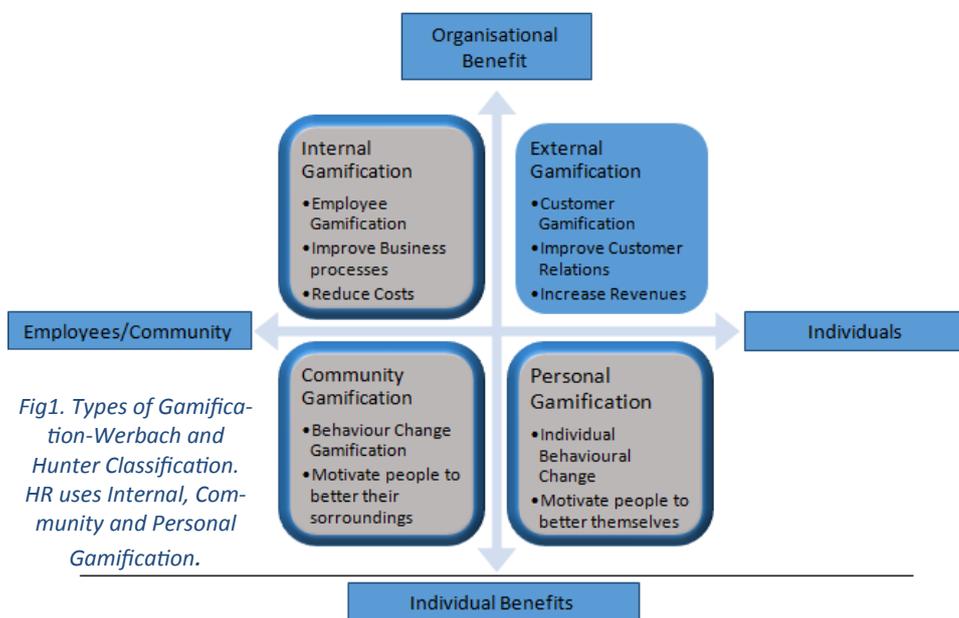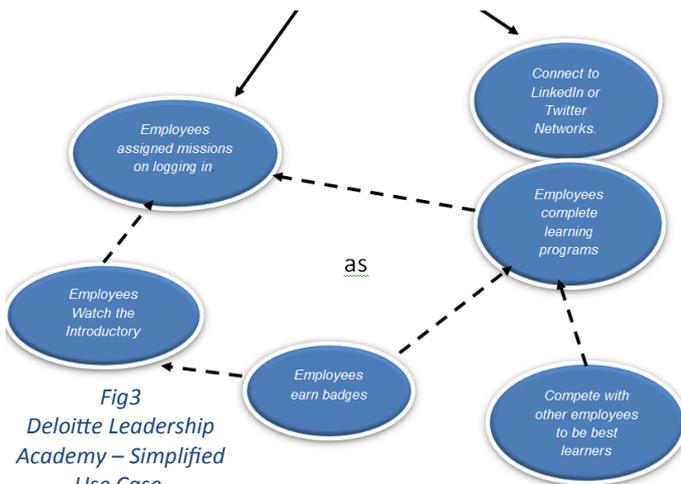
Fig1. Types of Gamification-Werbach and Hunter Classification. HR uses Internal, Community and Personal Gamification.

same competition is conducted within the organization which enhances employee engagement. Deloitte has also used gamification for knowledge sharing. A mobile app similar to the location sharing app foursquare was created. It rewarded the employees for checking in and allowed them to share who they were with, what they were doing and where they were. According to Deloitte they have seen an increase in knowledge sharing, and "Better alignment between the company and its employees", hence reducing turnover.

Fig3
Deloitte Leadership
Academy – Simplified
Use Case.

Effectiveness and Issues:

According to Gartner, three objectives must be fulfilled in order for gamification to be effective-

1. Clarity in Goals and Roles
2. Clarity in Narrative and Interface
3. Accelerated Feedback

But not all employees have the same goals or roles. Motivation for each person is different and therein lies the problem of acceptability of a gamified system. Any such process in HR would most likely be viewed in negative light rather than an engaging tool. Most business leaders feel that translating the concept of gamification to employee's business processes in a way that engages them, and results in productivity still seems elusive despite existing implementations.

Geographies also play an important role in game design for organisations. Hofstede's dimensions rate India high on power distance and collectivism, making its games markedly different from the games played in individualist

Figure 4 L'Oreal also uses gamification for recruitment

cultures like the US. Thus, for India, role based and hierarchy based access need to be incorporated into gamified processes.

Another issue is that the current gamified systems are considered superficial and are dubbed as 'Pointsification' systems. Merely points or rewards don't result in enhanced output. Providing an in-product marketplace to convert those points into goods and services is a great way of motivating employees especially those in sales jobs. The rewards should be in line with employees expectations as well as proportionate to the task that they need to accomplish. The focus needs to be on employee psychology and personality . More extreme critics also term it as 'Exploitationware'- A way to replace real rewards like money with fictional ones. Companies would start using virtual techniques of motivation that result in no tangible rewards. It would be akin to tricking employees and would undermine the employee-employer relationship, ultimately resulting in loss of productivity to both sides. Hence, honesty and transparency is extremely important while implementing these systems.

Conclusion:

While organisations have been slow in adopting gamification, especially in India, there are third party recruitment agencies which are incorporating game elements into their systems. Additionally, it has found increasing acceptance in the areas of learning and development as illustrated by Deloitte Leadership Academy and also recruitment as illustrated by Mahindra War Room, L'Oreal Brandstorm. The concept is equally applicable in other areas of HR. However HR managers need to understand that motivation is more than just points or badges and ensure that ethics or labour laws are not compromised when systems are gamified.
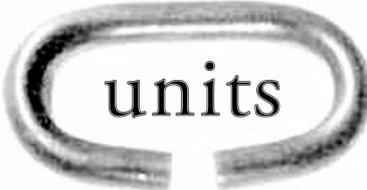
— *Aastha Pandey, Prashansa Khandelwal*
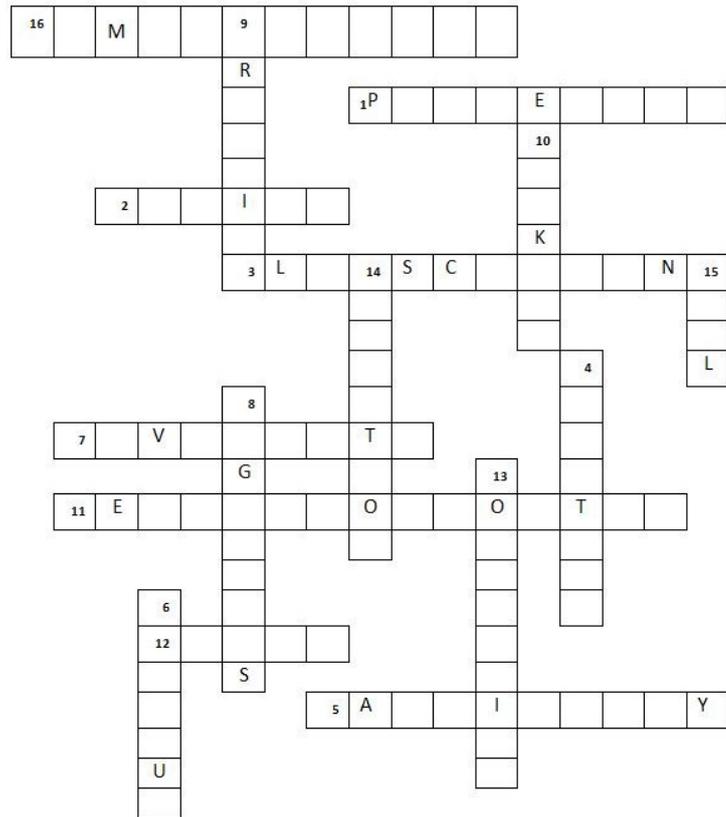*PGP 2nd Year*
IIM Rohtak
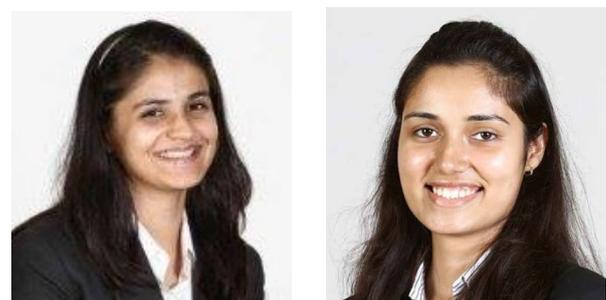
Team Sunshine - Vipul Tomar & Esha Rana
National Institute of Agricultural Marketing Jaipur

fun corner

HR CROSSWORD

ACROSS:

1. A condition of stagnating in one's current job
2. Refusal to work or perform
3. Discriminatory practices that have prevented women and other protected-class members from advancing to executive-level jobs.
5. The extent to which the job includes a "whole" identifiable unit of work that is carried out from start to finish and that results in a visible outcome.
7. The differences among people
11. An agreement whereby employees state that they are not now, nor will they be in the future, union member.
12. A formal association of workers that promotes the interests of its members through collective action
16. Set of behaviors encompassing skills, knowledge, abilities and personal attributes that are critical to successful work accomplishment.

DOWN:

4. Scheduling arrangement in which employees work a set number of hours per day by vary starting and ending times
6. The total depletion of physical and mental resources caused by excessive striving to reach an unrealistic work-related goal
8. The study and design of the work environment to address physiological and physical demands on individuals
9. Process of providing knowledge skills and abilities (KSAs) to specific to a task or job
10. Unsolicited applicants
13. An activity in an organization aimed at creating greater efficiency by eliminating certain jobs
14. Process of hiring the most suitable candidate for a vacant position
15. Clear statement usually in one sentence of the purpose and intent of a HRD program

(ANSWERS ON PAGE 30)

From Strips, Dilbert.com

HRidhaan

Workforce Management Using Business Analytics

Strategic Workforce planning (SWP)

In the age of diverse work culture which has a huge geographical spread, the nature of operations is globalized and the mobility within and outside the organization cannot be restricted. The workforce planning needs to be aligned with the core objectives, nature of the work and organizational culture. The entire structure of workforce needs to be affected with focus on achieving a sustainable competitive edge.

Components of Strategic workforce planning

Basically for any organization a few important components need to be emphasized upon to generate a framework of achieving robust results for workforce planning.

Planning and budgeting
- It is aimed at determing the current and future needs of manpower
- these needs have to be predicated upon the project scopes and the magnitude of work involved

Manpower analysis
- A supply-demand asscociation has to be established
- Existing manpower and required workforce will provide the gap and also highlight the skills needed to achieve the same.

Actual processing for manpower requirements
- This is a top-down approach where each vertical and segment of the workforce will be evaluated and a thorough sourcing, selecting and recruitment process will be driven across the organization
- The method of selection, assesing talents needs to be developed

Evaluation, training and sucession planning
- Monitoring, controlling and feedback of work
- Value addition by training
- Providing career map and initiation of sucession planning

Case study: Inculation of SWP in GE Energy

GE Energy consists of multiple verticals like *Energy Management*, *Oil & Gas* and *Power & Water*. The organization consists of a dedicated team of professionals who focus solely on Global Strategy and Planning that spans across various offices across the globe, including experts who work on Strategic Workforce Planning for isolated business units. On a macro level, country level research is conducted and an exhaustive analysis of human capital is done, as it can have huge impact on the overall economic prospects. Forecasting is an integral part of the planning process at GE and it ensures that the right approach is followed to get the required results. These pipelines are created in sync with the forecasted needs that have been chalked out in terms of the human capital.

Level 1	Level 2	Level 3
• Talent Segments • Supply Forecast • Demand Forecast • Gap Analysis • Action Plan	• Cost Modelling • Contractors • Scenarios • External Supply	• Build vs. Buy Matrix • Competency Modelling • ROI Modelling • Talent Risk Assessment

Fig. Future Levels of SWP (GE)

The process of SWP was initiated at GE Energy by inculcation of pilot projects that focused on enhancing various capabilities. Each pilot required a different data approach and forecasting technology, and yet others were focused on areas like organizational processes and organizational change. Currently, GE Energy is focusing on Level 1 of SWP, where the focus is on the functioning of Business units.

Incorporation of HR Analytics to strategic workforce planning:

This is the era of analytics. Analytics covers the entire spectrum of data generation, storage, and conversion by analytics of the raw data into useful information. The workforce needs to be chosen in a scrupulous manner, it needs to be groomed in a holistic but need oriented fashion, monitored with the objectivity of better performance, rewarded for greater drive and motivation. By using business analytics tools, we can provide a competitive sustainable edge to the concept of strategic manpower planning. The data, converted into information will aid the organization in making value added decisions and thereby make the planning process system oriented and robust. Based on the above premise we can achieve a number of essential steps in the process of workforce planning.

An amalgamation of business processes and HR analytics can be used to formulate and affect the following sequence of operations.

The **Methodologies and Recommendations** to achieve the same are as enumerated :

1. Understanding the primary values, goals and outcomes of the business

• This is the first step to skill audit gap analysis and the method can be initiated by interviewing top executives and analysis of the segmented plans of the organization.

• This step needs to provide clarity of the need to plan workforce, what specific skills and knowledge bases are needed for the fulfilment of the business goals and what kind of budget, duration and time investment we need to have.

2. Workforce segmentation & scenario planning

• This step is aimed at achieving a clear bifurcation among all the jobs, roles and vertical needs that need to be addressed. It is the phase where accountability of different accountabilities needs to be fixed.

• This stage can be executed either by detailed survey, or using the company information available and gathering of valuable information about the existing and required headcount, qualification, competency, in which location et al.

3. Supply and demand optimization

• This would technically be the first step towards recruitment planning as the supply of projects/ magnitude of work will generate the overall internal demands of manpower and accordingly we can pin-point our requirements segment wise

• This stage will also tell us about the multi skill facets that are needed, what unforeseen changes might occur over the planning process etc. We basically need to prioritize the competencies and accordingly create the skill mix

4. Identifying future skills and development of sourcing strategies

• This stage is aimed at understanding the fundamental gap analysis and aligning the same with essential skills needed. what training to be provided, what outsourcing decisions that need to be implemented.

• It will also analyse the shortfalls, development scopes what recruiting methods that need to be adopted

5. Project establishment and allocation of resources

• Formation of teams, leaders, plans of implementation, key personnel in the verticals, time line deliverables, confirmations of roles and responsibilities,

• Providing numbers that need to be recruited, outsourced, scheduling interviews and tests, determining selection methods and adopting hiring policies

6. Implementation and business integration

• This stage deals with Initiating the strategic decisions and tactical activities. Actual process of man-power recruitment, training, allocation, monitoring plan vs. Actual are the few activities that form the primary task.

• The essential functions of career path development, succession planning are the fundamental components of business integration. It calls for constant monitoring and alignment of work with strategic initiatives and focus on future and current needs.

A need for proactive workforce planning is essential. Micro and macro economic conditions, technological changes and business demographics are altering at a rapid rate. The presence of a strategic workforce plan provides a multi-dimensional approach towards building human capital, identifying skills and creating the leaders of tomorrow. A strategic plan also will help mitigate risks, reduce attrition and develop a value added training culture for the organization. To achieve this mammoth task, the premise of establishing HR analytics in yielding accurate and real time information, complemented by strategic action should be the underlying principle in ensuring the attainment of the goal & objectives.

- Sannah Manuja, Orijit Ghosh
PGDM HRM, 2nd Year
XIMB

Multiskilling- The way forward or an existential Crisis?

With strategy emerging as an important buzzword in all aspects of business, 'Human Resources' has also begun to accommodate strategy as an important co-traveller in its journey ahead. In this context, Workforce planning has also shed its old garb of catering to the workforce requirements of organization in the immediate future and instead has begin to identify gaps and take steps to create an internal labour market for workforce needs, arising not only out of layoffs, terminations, resignations or retrenchments, but also changed job demands and changing technology. Multi skilling is an engaging HR strategy in this regard which helps the organisation adopt a strategic flexibility to cater to the demands of the competitive forces with its current workforce.

So what is Multiskilling? Multiskilling as defined by Morley, Gunnigle and Haraty, (1995)is "the expansion of skills within a workforce or the ability of organisations to reorganise the competences associated with jobs so that the jobholder is willing and be able to deploy such competences across a broader range of skills." Multi skilling encompasses adoption of new skills, for jobs that are slightly/majorly different from the ones in which the employee is currently engaged.

Multiskilling can be implemented through the use of any of the stated methods:

- On-the- job training through Job rotation
- Job Shadowing
- Learning through observation, documents
- Teams involved in cross-functional projects
- Coaching/mentoring

The advantages of multiskilling for organisations are many. The employer gets **greater flexibility** in terms of workforce available for a given job. These multi-skilled individuals become **ideal candidates for job rotation** in the near future. Also because Multi-skilling helps in identifying the competencies of an employee, in terms of technical and functional competencies, it helps organizations choose the **right candidate for the right job at the right time.**

Training of employees, in more than one skill, also makes them capable of handling support functions, symbiotic to the job at hand, thus **saving** the organization's monetary resources in terms of **additional recruitment and staffing.**

But does the employee gain by being multiskilled? Yes indeed! With jobs becoming broader in their definition and demands, the conventional one employee-one skill relationship does not hold true. Most jobs require a **dynamic increment in skills** for employees to remain relevant to the job and multi-

skilling helps employees attain job security by always being on top of the job-requisites. Also by being skilled in more than one domain, employees find it easier to ask for **reallocation to jobs** that they are interested in thus exploiting more growth opportunities within the organization (this obviously has constraints in the form of scope for the same within the organization). It helps employs cross the chasm between knowledge workers and boundary-less workers.

Examples from across industries show increased inclination towards developing a multi-skilled workforce. From frontline managers in the Hospitality Industry, to customer service agents in Business Process Outsourcing Industry to engineers in manufacturing setups to health practitioners, most organisations today are looking to have employees who can juggle between different tasks. An interesting multiskilling initiative in the Indian context is the **Indradhanush Initiative by ACC Cement**. The Indradhanush initiative aimed at multi-dimensional growth of functional competencies of its human capital at the plant level. ACCCL came up with a multi-skill roll. This helped the organization challenge the theory of one person to perform one role. It also helped them overcome workforce challenges arising from absenteeism. The company created a skill matrix for each plant. It aimed to train people and make them deliver on multiple competencies. By creating multi-skilled individuals within the existing employee pool, the company was also able to successfully bring down the number of positions open for recruitment. This in effect challenged the talent identification mechanism of the organization to come up with effective Job Pro-

filing for identifying employees that were the best cultural and technical fit with the company.

However despite its advantages, like all good things Multi –skilling too unless practiced in moderation can prove to be inefficient and costly. Employees might be resistant to it as it they might be uncomfortable with the changes and cannot deal with the conflict of the role and their personality. The common belief also is that Multi Skilling promotes generalists rather than specialists and could cause frustration in employees who look for specific responsibilities. However when applied in moderation it has also yielded significantly better results in terms of a more competent workforce.

Stuti Pandey
PGDM-HR, 2nd Year
XLRI

tête-à-tête

An Interview with Mr. Yogesh Misra,
Head - Consulting, Thomas Assessments Pvt. Ltd.

Could you share something about your corporate journey?

In my corporate journey from a Management Trainee to my current role as Head of Consulting, my progression can be understood by Ram Charan's Leadership pipeline model; I have developed from being an *Individual Contributor* to *People Manager* to *Manager Manager* to *Business Manager*. Due to my consulting background, I have worked across geographies, industries with large companies, small companies, family run businesses, MNC's and with governments.

I have been involved with startups right since the first dot-com boom, promoted and sold HR almost like an evangelist when people linked competency assessment, psychometrics to Linda Goodman and astrology.

Throughout my life, I have followed what I call as "SPONGE THEORY". Never say no to any new experience and keep on soaking in as much knowledge and filing it away for future use in your brain.

What makes a great workforce planner?

While this might sound theoretical in nature, but it is imperative that a workforce planner have five arrows in his quiver:

- A sound understanding of business and its strategy
- Ability to align all other goals with organizational goal.
- An all-inclusive knowledge of the labour market.
- A sustainable ability to plan and forecast
- An inherent Quick to respond to market changes

How do you plan your workforce strategically? What factors do you consider in the entire process?

In our organization, we instituted Strategic Workforce Planning at the time of creation of the strategy document

Personal Information

Mr. Yogesh Misra is the Head of Consulting Practice at Thomas Assessments Private Ltd. He is responsible for the consulting business in People Metrics and has worked with Clients in India, Pakistan, Africa , Middle East, South East Asia. He is working with Thomas Assessments for the last four years.
He has also worked with Delhi Management Association (DMA) and Thomas International in the past.

He is a Certified Management Consultant (C.M.C), has completed executive management from IIM Ahmedabad and MBA from University of Pune.

itself. If workforce planning is done after creation of strategy then it is difficult to align it and HR ends up doing catching up with business with little time for planning. The strategies are implemented by people.

The things that we consider are Vision, Mission, Business plan, key markets which will be serviced, product lines which will be launched, status of current talent and availability of talent.

SWP is a cross-functional task. How do you deal with accountability issues?

First and foremost, any HR professional in the upper echelons needs to realise that simply by the virtue of heading the HR function, the final accountability lies with him/her. The HR function will have to co-own business responsibilities and all the functions involved need to agree and accept that SWP is not just HR's but every function's responsibility.

HR has to partner with the line managers, involve them in the process right from beginning. It involves sensitizing them about the importance of SWP (and for that matter any HR process) and how it will help them be successful. If the message of WIIFM (W*hat Is In It For Me*) is successfully sent and received, then half the battle is won.

What does the top management expect from a workforce plan?

The expectation is very simple. The plan should *deliver* and *on time* !!!.

What are the key obstacles to SW planning?

Lack of understanding of business, ground realities, lack of planning, poor execution are the key obstacles.

According to you, how can technology contribute to SWP?

Technology in my opinion acts like an enabler. Be it cloud based analytics, use of mobiles, tablets, apps. It helps facilitate real time communication amongst HR and management and employees, analytics in terms of work force planning, market analysis, analysis of manpower, real time monitoring of the execution of the plan, deployment of manpower.

Any message to budding HR managers?

HR is going to be the future. Time for HR has come to take its rightful position on the board. A caveat, however, is that this place has to be earned. This can only happen when HR broaden its purview from narrow functional silo and starts leading from the front.

To be successful, one has to understand the business and its levers. HR cannot be run from the ivory towers. Spend as much time as possible with your customers, understand how the business works and carpe diem.

Managing the Millennials : A Look into Modern Talent Management

"To win customers — and a bigger share of the market-place — companies must first win the hearts and minds of their employees."-State of the Global Workplace Gallup Report

One of the buzzwords in today's world of Human Resource Management is talent management. This is what all the big businesses are talking about and the small ones are trying to emulate. So the big question is what is talent management all about?

Talent management is the science of using strategic human resource planning to improve business value and for organizations to reach their goals. Everything done to recruit, retain, develop, reward and make people perform forms a part of talent management and strategic workforce planning. Talent-management strategy needs to link to business strategy to make sense. So basically, Talent management means the strategic and deliberate way in which organizations source, attract, select, develop, train, retain, promote and move the employees through the company. But the fact is that the word 'talent' is differently interpreted in various contexts. Organizations adapt the meanings as they think is fit for themselves. Research at CIPD has come up with the following observations —

• **Talent** consists of those individuals who can make a difference to organizational performance either through their immediate contribution or, in the longer-term, by demonstrating the highest levels of potential.

• **Talent management** is the systematic attraction, iden-tification, development, engagement, retention and deployment of those individuals who are of particular

value to an organization, either in view of their 'high potential' for the future or because they are fulfilling business/operation-critical roles.

These above two definitions underline the importance of recognizing the fact that simply attracting individuals with high potential is not enough. It is equally important to develop, manage and retain those individuals as part of planned strategy for talent management. It is also essential that commensurate systems are adopted to measure the ROI on these recruits.

Talent Management as Workforce Management

Workforce Management is just another expression that is used for talent management. According to Chartered Institute of Personnel Development, "Workforce planning is a core process of human resource management that is shaped by organizational strategy and ensures the right numbers of people, with the right skills, are in the right place at the right time to deliver short- and long-term organizational objectives."

Features of Talent Management Strategy

Key issues when developing a talent management strategy include the following.

1. Alignment to corporate strategy
Strategic analysis from the business perspective should feed into an HR forecast, which can help shape an organization's tailored approach to talent management.

2. Inclusive versus exclusive approaches
Some organizations adopt an inclusive approach to talent management creating a 'whole workforce' ap-

Right size: ensure you have the right number of people in the right roles spending the right amount of time achieving given outcomes.

Right shape: identify duplication and inefficiency to establish the right balance of admin to professionals, juniors to seniors, experienced staff to new hires.

Right cost: benchmark pay and reward to pay the right price for required skills.

Right place: ensure the required staff resources are available in the right location to meet the current and future workload.

Right skills: assess the gaps in the competencies and skills that will be needed to meet future goals.

Fig 1: Key dimensions of Strategic Workforce Planning

HRidhaan

proach to engagement and talent development. Others develop a more exclusive focus segmenting talent according to need, i.e the talent management process specifically relates to key or high-potential individuals.

3. Involving the right people

Careful consideration needs to be paid to involving the right stakeholders in developing the talent management strategy and associated activities.

4. Participants

A key initial consideration for employers is how to select participants for formal talent schemes. Our Research shows that the existence of structured selection processes serves to increase the perceived value of talent programs and the motivation of participants to perform. For those not selected, by contrast, the negative effects of being 'passed over' are not as detrimental as might be feared, particularly if individuals are provided with sensitive and practical feedback.

Managers

Visible senior-level support is a must, and a 'talent panel' is a useful means of ensuring the involvement of directors and senior management, especially when it has representation across the organization. Line managers must take responsibility for managing performance, for identifying, developing talent in their own areas, and to be encouraged to see talent as a corporate rather than a local resource – see our factsheet on the HR role of line managers.

HR function

HR specialists have an important role to play in providing support and guidance in the design and development of approaches to talent management that will fit the needs of the organization. Our research shows that HR is perceived as playing a critical role in facilitating talent pools and programs and in maintaining the momentum of such exercises.

5. Attracting talent

The ability to attract external talent depends upon how potential applicants view the organization, the industry or sector in which it operates and whether they share the values of that organization. The crea-

tion of an attractive employer brand is an important factor in recruiting external talent. More information can be found in our factsheet on this topic.

6. Developing talent

Talent development should be linked to other learning and development initiatives including both informal as well as formal learning interventions. Participants on talent management programs tend to value coaching, mentoring and networking particularly highly, especially according to our research, the opportunity to meet senior people in the organization.

7. Managing talent

Investment in management and leadership development will positively impact on talent retention. The process of succession planning in particular helps many organizations in identifying and preparing future potential leaders to fill key positions, while secondments may also play a useful role. For more information, see our factsheets on those topics.

People Equity, by growing ACE – **A**lignment, **C**apabilities & **E**ngagement, gives the most optimal performance in organizations. When organizations have high ACE, they not only have high performance in the current but also a high potential for the future. A famous quote from IBM, **'Almost all of our assets walk out of our door every day, only to come back to work the next day',** sums up how important Talent Management is to any organization in today's competitive and dynamic business environment.

-Rashi Goel, Somrita Sen
PGDM HRM, 2nd Year
XIMB

New Approaches in Strategic Workforce Planning

"A company's employees are its greatest asset and your people are your product"
-Sir Richard Branson, CEO and Founder, Virgin Group

Introduction

Strategic workforce planning-a collation of strategy and HR! Is it so? On a rough note, yes but more specifically, it is the integration of workforce demand and supply into the strategic planning cycle to ensure that '*5 rights*' are there in the organization —"the right number of people, with the right skills, at the right level, in the right place and at the right cost". For organizations, a major chunk of their total cost is contributed by the direct people cost and nearly half of their employees are involved in knowledge intensive roles. This reiterates the importance of strategic workforce planning which can be leveraged to manage the availability, productivity and capability of the organizational workforce.

Fig.1. Strategic Workforce Planning-Overview

It helps to identify, assess, develop and sustain workforce skills to attain business goals while maintaining a proper balance between expectations and needs of the employees.

Labor demand and supply – a balance

Based upon its future requirements, it is important for the business to determine its size of workforce, skills and the time to do so. Labor demand forecasting, can adopt two approaches-quantitative or qualitative. Quantitative uses a mix of mathematical and statistical approaches, which are quite complex and costly, hence mostly suited for large organizations. While, qualitative approach tends to use the experts to predict future need and hence commonly used by SMEs. Some common methods in this context may be Delphi Technique, National Group technique, etc.

Labor supply can be arranged within the organization or outside it. To gauge the internal sources of supply, *human resource audit (HRA)* is a promising option. *HRA* is an organizational chart with all the positions indicated and "promotability" of each role incumbent is keyed to the corresponding positions. The next step involves identification of present number and skills of staffs and then comparing it with the future abilities required for the business.

To create a balance, if an organization is falling short in workforce, it should consider effective recruitment strategies along with job design, flexible work options, career development and remuneration. In contrast, if the workforce is brimming out of the required limit, effective strategies to manage redundancies, retirements and dismissals need to be created.

HR strategy-A spark for workforce planning

HR strategy cannot be thought of as a secluded plan of action. It should be aligned with the business core strategy to exploit its full potential. Jointly they can assist in effectively planning the workforce .

 While developing a HR strategy, a company must analyze the current industry, competitive advantage, key processes and key resources. On a broad scale, it can be grouped into five categories, which covers various aspects of workforce planning:

- *Restructuring*
  It may cover the areas like reducing staffs by attrition or termination, regrouping tasks as a part of designing efficient jobs, reorganizing business units, etc.

- *Training and development strategies*
  This part of the HR strategy governs the area of providing training and development opportunities for the new jobs and roles as well as existing ones..

- *Recruitment strategies*

  It may comprise of recruiting new staff with required abilities and skills by strategically promoting the new job openings among the suitable contenders.

- *Outsourcing*

  It stresses upon the use of external organizations or individuals to complete a specific set of tasks, which does not requires full-time work option.

- *Collaboration*

  It emphasizes the collaboration between the organizations to better deal with skills shortage.

Multi-Skilling Job Design-a new thinking!

Digressing away from the traditional departmental silos, multi-skilling focuses upon defining a range of tasks and responsibilities for an individual, which hence instigates need for imparting multiple skill-sets to a single employee. On-the-job training and task rotations are some of the practices to improve upon the multi-skill set of the workforce. Another not so famous approach is *multi-employer contract*, in which a group of employers hire an employee, who is rotated among them. Frequent assessments of the employees is necessary to see whether they are able to maintain it or not. Now the question arises-Why should an organization go for it? It can help to reduce the direct labor costs significantly. Downtime can be reduced and there is a positive change in performance of the employees. But putting it into reality demands overtime rates, increase in basic pay, work-related health illness, etc. So to cope with this, proper planning should be made to assess the risk involved and to identify the narrow spots.

Scenario Planning- a sneak peek to the future

Scenario planning was first developed by *Pierre Wack* at

Fig.2. Scenario planning

Royal Dutch/ Shell Oil. Unlike the forecasts which are based upon the assumption that tomorrow's world will be much like today's, scenario planning involves a coherent and credible alternative stories about the future. Scenarios are generally built upon a dynamic sequence of interacting events, changes and conditions that are necessary to reach a particular outcome.

Exploring the future is therefore a serious business and among a range of proven techniques, scenario planning is most widely accepted because it comprises of rich stories of how future might play based on the outcomes of the key variables of the workforce environment. This can be followed by talent management which can further decide as to how to develop and maintain the desired organizational capabilities.

Strategic workforce planning is the foundation for talent management. It is the bridge which connects HR strategy to business strategy. The business leaders need to adopt workforce planning as a key contribution to the business process and not just as an afterthought.
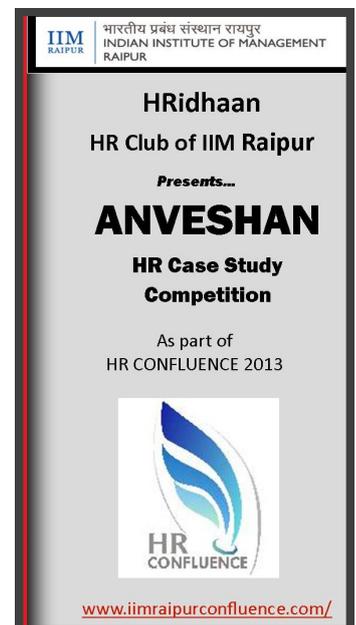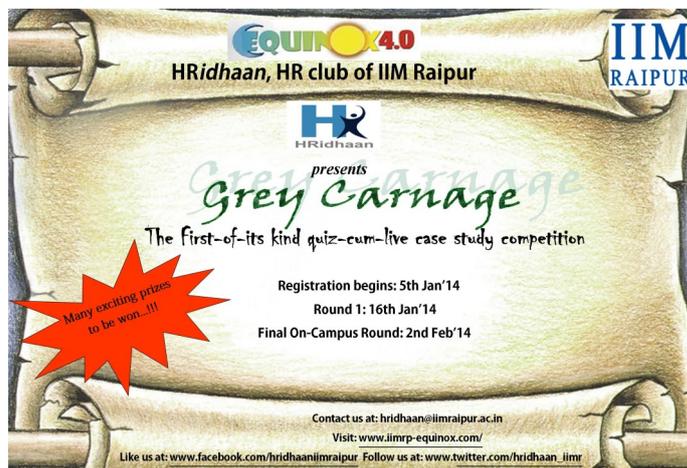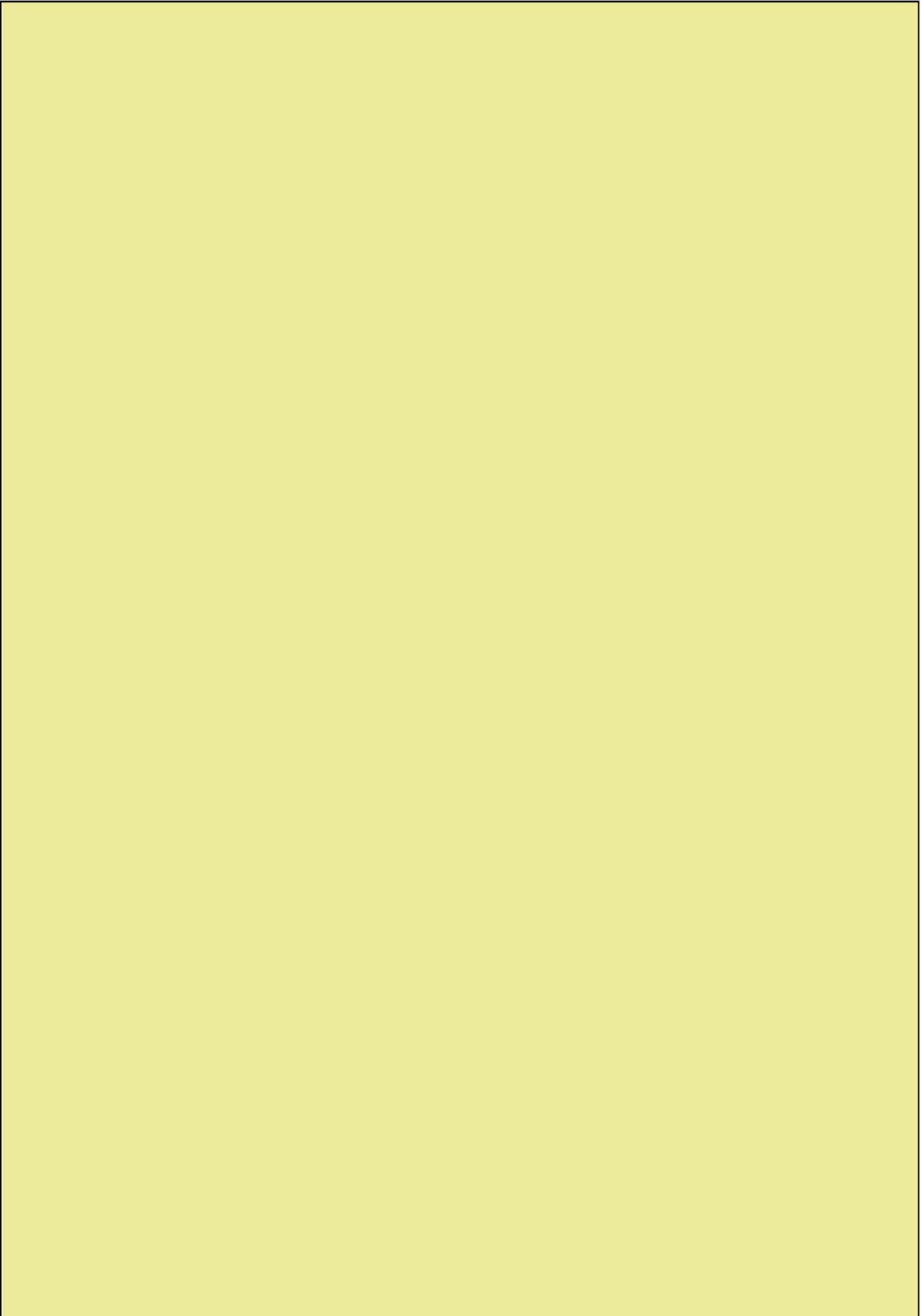
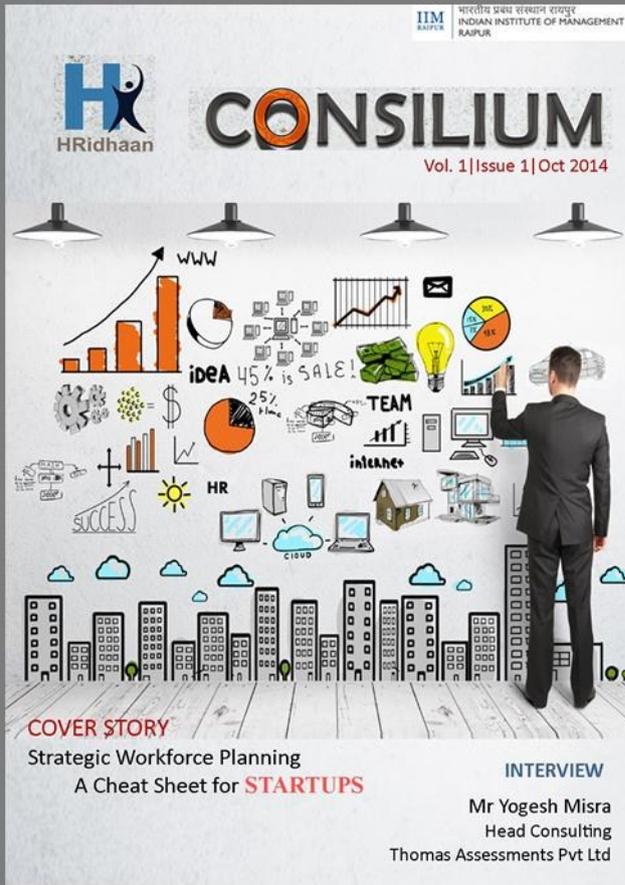*- Vivek Kumar*
PGP 2nd Year
IIM Indore
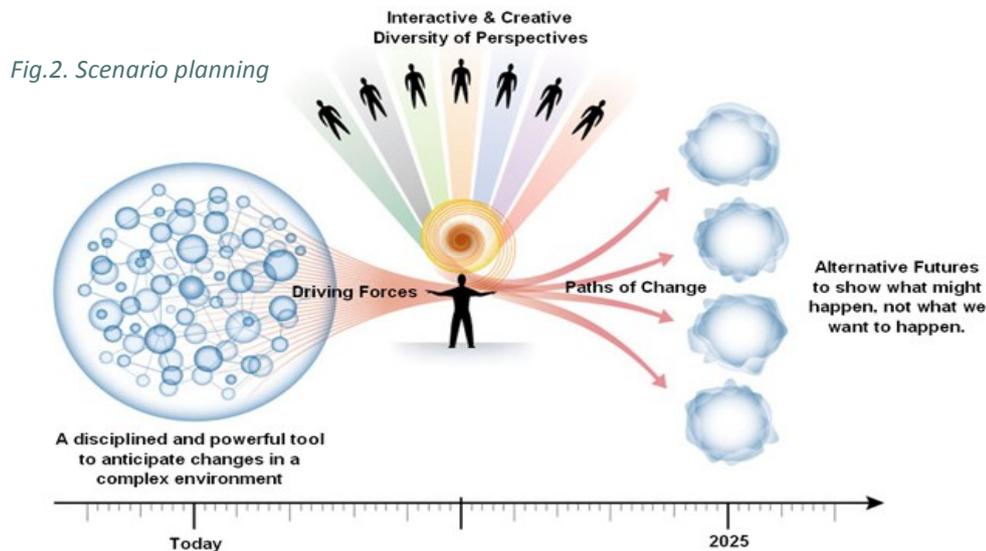
Answers to HR Crossword (Page 19)

1. Plateauing
2. Strike
3. Glass ceiling
4. Flexi time
5. Task identity
6. Burnout
7. Diversity
8. Ergonomics

9. Training
10. Walkins
11. Yellow dog contract
12. Union
13. Downsizing
14. Selection
15. Goal
16. Competencies

HRidhaan activities