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Skills, Resilience & Real-Time – The New Workforce Planning Paradigm

The COVID-19 pandemic has disrupted traditional approaches to strategic workforce planning, in particular, planning frequency. With constant changes as we have yo-yoed in and out of lockdown, organisations have been driven to plan on a continuous basis and yet have lacked the appropriate data, processes and tools to help model the best outcomes in these difficult times.

For organisations to evolve and adapt successfully to a post-pandemic world, they will need to realign to new operating realities, whilst upskilling or reskilling large parts of their workforce. But how do you predict those new realities, or model the organisation to suit them? And how do you factor skills into workforce planning too? This Fosway Viewpoint paper looks at how a more continuous, agile, skills-based approach to workforce planning is critical to ensuring organisations are successful and resilient in 2021 and beyond.



Why is this important?

COVID-19 has smashed the realities of the workforce

The pandemic has effectively created a completely different reality for the workforce. During the initial crisis response, organisations focused primarily on adjusting to unprecedented shifts in market demand at an operational level, realigning revenue expectations and the underlying workforce. In an environment where organisations were having to pivot who works where, doing what and when, slow HR-centric talent processes have been under threat.

With such a huge impact on companies, normal workforce planning had to be binned, as even some of the most stable model assumptions were blown apart; it was nearly impossible to predict demand, manage supply chains, workforce availability or productivity. Business disruption was so fast-paced that it was extremely hard to understand what organisations were trying to align to - both tactically and strategically. Constant changes during multiple lockdown yo-yos, resulted in organisations struggling to realign their plans. A lack of appropriate data, tools and processes prevented them from modelling the best outcomes in these difficult times.

Resilience is non-negotiable

One year into a new decade and it is obvious that operational and workforce resilience must become an integral part of organisational and leadership thinking. The immediate future is still very much uncertain, and no one can reliably predict what next winter might hold with future pandemic waves. The wider consequences of the pandemic for supply chains and cross-border operations are leading to significant shifts in operating models, and the workforces that support them. Price increases and rising wage inflation are already emerging as after effects.¹ But further shockwaves beyond automation and digitisation are inevitably to come, especially as societies also accelerate their decarbonisation efforts. As a result, the status quo will be challenged in almost every industry. Many new roles will appear - while a significant number of

¹ See [UK inflation edges up as COVID price hit begins to ease](#), Reuters; [Inflation dynamics during a pandemic](#), European Central Bank; [Pandemic Prices: Assessing Inflation in the Months and Years Ahead](#), The White House.



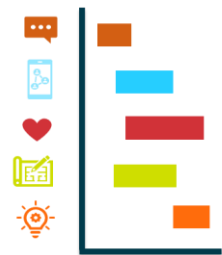
the existing ones will disappear.² Workforce planning plays a pivotal role in preparing for these shifts. The million-dollar-question is how to improve the resilience of your workforce, so that it is adaptable to change and performs well, no matter what strategic scenario or edge-case you predict? Organisations that are planning for only a few scenarios are likely to be consigned to history.

Workforce planning needs to be real-time...

As the pandemic crisis unfolded, it became clear that workforce planning was not able to adapt fast enough, because it essentially existed in a parallel universe based on historical data assumptions prior to COVID-19. In the majority of organisations today, strategic workforce planning, if it is done at all, is modelled in spreadsheets that are woefully detached from operational realities. Workforce plans are almost never directly linked to the actual people and finance data in the enterprise. Consequently, the lack of a hard data-coupling creates an alternate view of the organisation that suffers from ‘as-of-date’-syndrome. Today, this is no longer sufficient. Leaders must make decisions for the real world in real-time. To do so, workforce scenarios and the underpinning data must be up-to-date and accurate. This is likely to prove challenging for many organisations, as their HR ecosystem is not designed to serve connected real-time data into their workforce planning solutions.

...and skills are the new currency!

Strategic workforce planning historically looked at roles, headcount, and cost. But during times of fast-paced change, roles do not provide sufficient granularity to support appropriate workforce decisions. With the rise of agile organisations and talent marketplaces, organisations are matching available skills to available packages of work at higher speeds whilst incrementally building new skills and allowing for adjustments along an agile path. Moving forward, organisations will need a more profound understanding of their current skills, their future direction of travel, and ways and plans to close gaps. Yet only 45% of corporates think they do a good job in understanding the skills profile of their organisation, while 60% do not have a consistent skills framework across their entire people experience.³



Only **45%**

believe they do a good job of understanding the skills profile of their organisation

² The Future of Jobs Report 2020, World Economic Forum.

³ The Reskilling Revolution, Fosway, 2021



What should you do?

Embed resilience into your planning

Workforce planning builds templates for execution. Historically, the discipline has been drilled to arrive at an optimal resource allocation for the most desired scenario. A lot of assumptions were built into these models to justify the outcome. Unfortunately, the pandemic taught us that you cannot pick the scenario; you just have to try and perform under the conditions you are given. A fast-spreading global pandemic was on nobody's radar, but neither are hyperinflation, terrorist attacks, disrupted supply chains, or a ten-fold increase in carbon emission prices.

A resilient organisation can still perform well even in extreme conditions. But workforce planning cannot stop at the best case, and fiddle with the assumptions. It has a *critical* role to play in stress testing the plan to see how the organisation performs under extreme conditions. The adjustments that follow this exercise will make your plan more resilient and help your organisation perform better in adverse situations.

Build resilient skill sets

Corporate organisations need to think more strategically around skills, the skilled workforce, and their performance. You can massively improve organisational resilience by thinking carefully about the skill sets needed to cope in adverse scenarios and by evaluating how you source, develop and maintain them. Already today, the “build, borrow, buy” discussion has been accentuated by remote/home working and the effects of the pandemic. Skills that build organisational resilience should be on your payroll - you do not want to be trying to ‘borrow’ them when suddenly everyone else needs them too.

Strategic workforce planning needs to enable HR and the wider business leadership to think about resilience and skills more systematically. How powerful would it be, if you could do that using real skills data from real people in your organisation, as well as their actual cost, position in the organisation, and the real outcomes they produce? Workforce planning will also need to model the delta too – i.e. how people develop more resilient skill sets, in what timeframe, and what activities they take to climb the maturity curve. It sounds like a big ask, but modern HR technology helps to solve large parts of this data puzzle.



Design your HR ecosystem to root plans in reality...

In order to plan for the resilient workforce successfully, organisations need to improve data supply for their scenarios. If data needs to be collected manually or semi-automatically, double-checked and aggregated from multiple sources, systems, and departments – then planning efforts are set up to fail. This is true whether planning for roles, headcount and cost, but is even more strongly accentuated when planning for skills.

In your HR ecosystem, workforce planning needs to sit directly on top of the operational data, and when you need a data refresh this should be an automated operation. Integrating tactical and strategic HR processes in a single suite and by linking your HR ecosystem dynamically to finance data will enable you to create the multitude of scenarios you need to effectively plan for resilience as well as populate them with correct and real-time data.

...to execute immediately

The other critical step is to also root any transitions to a future state in real data. An abstract model serves no purpose if it cannot be pushed into execution. Not only does this allow you to evaluate the transition path more easily and to validate assumptions, but it also puts execution technically at your fingertips. For example, by integrating your workforce plans with an internal or external marketplace, you can start to execute on skills redeployment much faster.

The ability to move from plan to execute also allows you to check progress and to define mitigating actions in case of deviations. Feedback loops are critical to increase the resilience of the plans as well as the resilience of the scenarios. The closer workforce planning is to your workforce management tools, the easier it is to design better scenarios, build resilience in the models, and move from plan to execute.



In Summary

As societies and economies move out of the pandemic and organisations start to cope with the after effects and challenges of the next decade, the case for workforce planning is stronger than ever. But the classic approach to strategic workforce planning - as it was focused on roles, headcount, and cost - is no longer sufficient. A paradigm shift is required to build a resilient workforce with the appropriate skills, which requires an HR ecosystem that supports real time data supply and immediate execution capabilities.

To embed this into any workforce planning project, right from the beginning you need to:

- **Plan for resilience as part of your project** – once you are done fine tuning your scenario, expose these to edge cases and adverse external situations to see how your organisation performs. The plan adjustments following on from this step have the power to increase organisational resilience.
- **Build more resilient skill sets** – consider the specific skills and skill sets that your workforce needs to become more resilient and build or buy them consciously. Being more digital, more agile, more savvy in remote leadership, and having strong collaboration skills is an important element of this.
- **Root your plans in reality** – by fixing data supply issues in your HR technology ecosystem, and by integrating solutions, you can increase the number of scenarios you investigate to improve the resilience of your planning.
- **Be prepared to execute immediately** – a plan that is rooted in your real data allows you to execute it immediately at the point of need. By integrating with your organisational management tools, such as HR ecosystem and talent marketplace, you can start to execute on skills redeployment much faster.



Recommended Fosway reading

For further Fosway analysis relating to this topic, please see the following papers or resources.

- [HR Realities Research](#)
- [Fosway 9-Grid™ for Cloud HR](#)
- [Fosway 9-Grid™ for Talent & People Success](#)

Accelerate and De-risk

To talk to us about our research on learning and talent systems or to discuss what it might specifically mean for your organisation, please contact us directly.

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For over 25 years, we have been analysing the realities of the market, and providing insights on the future of HR, Talent and Learning. Fosway analysts work extensively with our corporate clients to understand the inside story of the challenges they are facing, and their real experiences with next gen strategies, systems, and suppliers. Our independent vendor analysis also provides a vital resource when making decisions on innovation and technology.

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