

An abstract graphic featuring three large, interlocking loops in yellow, pink, and blue, set against a dark blue background. The loops are thick and have a slightly irregular, hand-drawn appearance. The yellow loop is at the top, the pink loop is on the left, and the blue loop is on the right. They overlap and interlock in a way that suggests a continuous cycle or a complex system.

THE FUTURE OF WORKFORCE PLANNING:

Is the skills-based approach dead?

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- 1 Skills vs capabilities
 - 2 The impact of the pandemic
 - 3 Future proof your workforce planning
 - 4 The role of HR and business leaders in workforce planning
 - 5 Conclusion

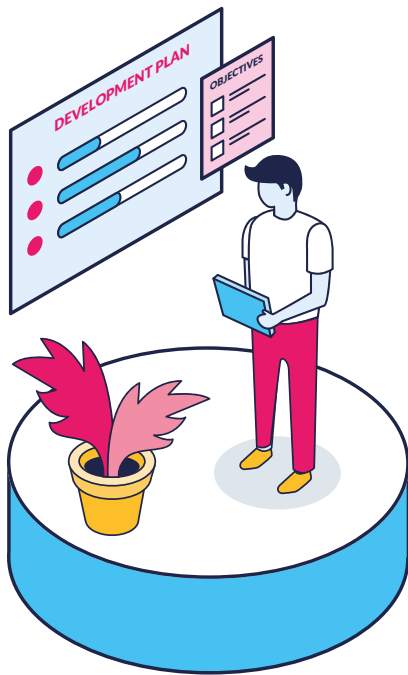
SUMMARY

It's clear that historical approaches to strategic HR are making way for new, disruptive methodologies. This shift is happening quickly due to the pandemic and will affect the way all businesses think about HR, performance management, and company culture.

Since March 2020 we have seen the beginning of a new era of workforce planning, with the focus shifting towards using technology as an amplifier of human capability and emphasising the importance of unlocking employee potential to achieve agility and creativity.

In this eBook we will be looking at the future of workforce planning and the different approaches businesses can take. We will examine how to unlock employee potential and why this is a driving force for creativity and organisational performance.

1. SKILLS VS CAPABILITIES



Historically, workforce planning relied on competency frameworks facilitating a linear progression travelling upwards through static job descriptions, each one with its own pre-defined skill sets necessary to fit within an organisational structure.

Some organisations (especially with very formal corporate cultures) do this better than others. For some, at least for now, it's even necessary in order to function.

But for many businesses, adopting a strictly skills-based strategy leads to high staff turnover, as individuals feel stifled by a linear approach, and a culture that does not form a business with a compelling and clearly defined purpose, image, and set of values.

So how can businesses plan their workforce differently? Is there an alternative to the traditional skills-based approach?

In short—yes. Internal talent mobility, tapping into people's potential and developing the ability for employees to make good judgements in all situations is the alternative to which more and more businesses are turning.

The future approach to workforce planning turns the old, prescriptive ways on their head and instead suggests matching employee passions and interests with critical business projects.



What work does the individual in your organisation do particularly well?

What skills does that work involve?
Can they be applied to tasks that don't come specifically under their roles and responsibilities?

Utilising existing staff and realising their potential will mean a reduced need for acquiring new resources, and will make for more well-rounded team members able to contribute to a wider variety of projects and situations. Ultimately, this creates agility.



While Bersin and Deloitte describes a high potential employee as one who has “the potential, ability, and aspiration to hold successive leadership positions in an organisation,” the exact detail of what high potential means to different businesses will vary.

Ultimately, the future trends suggest that you will be looking to uncover the ability in someone to problem solve and provide solutions to critical business objectives and projects.

How should businesses identify high potential employees?

Traditional methods that focus narrowly on skills suggest:

- Setting clear criteria for progression and explicitly outlining what behaviours, achievements and key performance indicators equate to high potential.
- Implementing objective and reliable methods to assess performance and make everyone's outputs visible.
- Providing developmental support for those who fail to meet the prescribed targets.

However, the events of 2020 have highlighted that performance appraisals and line manager feedback on their own are not reliable or definite methods for discovering and unlocking employee potential.

Instead, implementing a method that gives a 360 view of employees objectively measures their work interactions, performance and cultural alignment, and can highlight potential much more accurately.

Research by The Harvard Business Review identified the following indicators for high potential:



Ability: The potential to perform in leadership roles, including vision and strategic thinking



Social skills: High potential individuals are likely to be able to handle pressure while managing themselves and others, which requires emotional intelligence.



Drive: Ambition can be identified by how hard an individual works and their willingness to contribute to and take responsibility for extra assignments.



2. THE IMPACT OF THE PANDEMIC

There is clearly a reason why HR, performance management and company culture practices are being rethought so vigorously.

Many companies have made the hard decision to reduce their workforce. As such, the gaps have had to be filled by other employees—with roles often extending into simply helping with whatever needed to get done.

This isn't a positive situation. But it gives us a new way of thinking about workforce planning that, once this is over, will result in a better working environment, and more intelligent ways of tackling problems and future disruptions.

The pandemic has highlighted the importance of agility and responsiveness. It is evident that businesses who work as interconnected networks instead of hierarchies are able to pivot and solve problems more creatively and efficiently.

Foundations for unlocking employee potential

Everyone has interests outside of work, and with remote working becoming the norm the boundaries between work and home life has become blurred.

While many will always want to keep this divide sacred, with increased remote work we now have more visibility than ever before into the lives of our workforce. This is why the best businesses maintain a culture where an employee's interests intersect with their work—where they're invested in the business personally.

This creates a win-win scenario where individuals feel cared for, whilst allowing them to problem solve and learn new skills based on their natural talents and passions, creating better overall outcomes for the business.

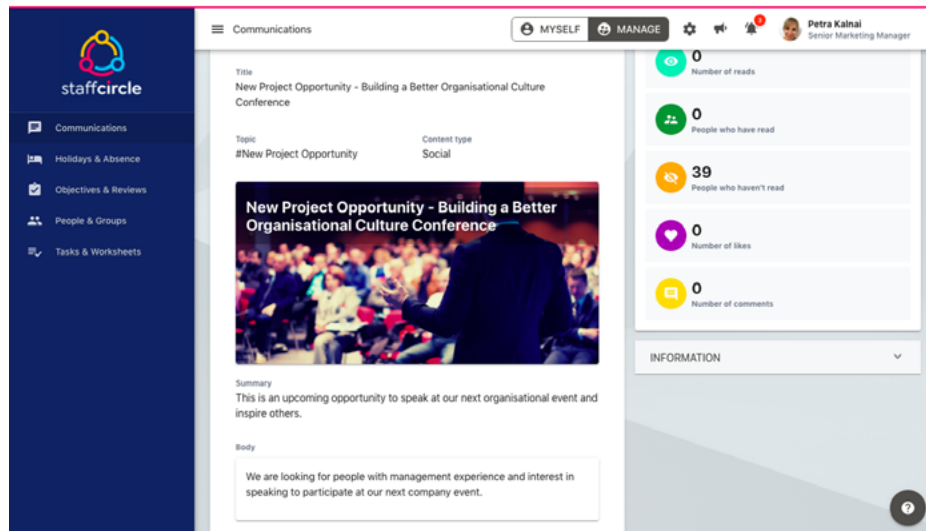
The role of data and people analytics

A crucial part of successfully identifying high potential individuals and unlocking employee potential is knowing your people. This is where people analytics can help. It begins with having access to real-time people data. Whether it's through an ecosystem of apps or an easier and smoother approach – a single source of truth - it depends on the business initiative.

People analytics can help with moving away from descriptive (What happened?)

and diagnostic approaches (Why did it happen?) towards more advanced predictive (What will happen?) and prescriptive (How can we make it happen?) insights. Ultimately managers can start to understand and make decisions based on people's behaviour and motivations.

Digital tools such as a digital talent marketplace or group specific news feeds can help with creating awareness and matching employee interest, passion and capabilities with current and future business projects.



StaffCircle's customisable and team specific Newsfeeds can match employee interest with current business projects

This should always result in excellent output, but an agile approach to talent management can be leveraged to improve the way teams and entire organizations service their clients.

AGILE TALENT MOBILITY

“Agile Mobility means people work on more than one thing at a time. They may have “career managers” who help them with their career or functional skills, but then they have project managers, team leaders, and other leaders that they work for as well.

Performance management is based on “results” not “reputation” and the company becomes more accountable, dynamic, and agile as a result.”

JOSH BERSIN - industry analyst, educator, and thought leader in HR, leadership, and HR technology

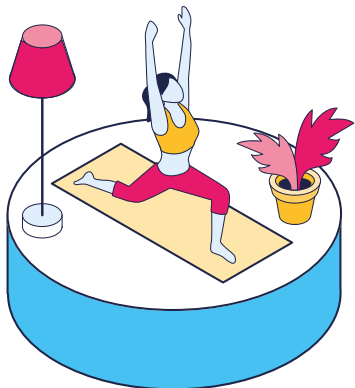
Results rather than reputation—this is a key idea when it comes to the future of workforce planning. Hierarchies being correctly observed will no longer be the way in which an employee or project is judged. The quality of the work—the results—will matter, and lateral thought processes and creativity will be part of achieving those results.

With individuals able to rotate between multiple projects, they will see how all aspects of a business operates, and will always be and feel valued. This is the key to a successful strategic HR strategy and well-planned workforce.

3. FUTURE PROOF YOUR WORKFORCE PLANNING

Unleashing employee potential means shifting our top-down approach to skill acquisition and allowing employees to reinvent themselves according to their capabilities, rather than just their skills.

Looking at how individuals are supported and engaged will be crucial as workforce planning changes.



Designing work for well-being: The end of work/life balance



The trend

Organizations are taking well-being beyond work/life balance by starting to design well-being into work—and life—itsself.



Surviving

Supporting well-being through programs adjacent to work.



Thriving

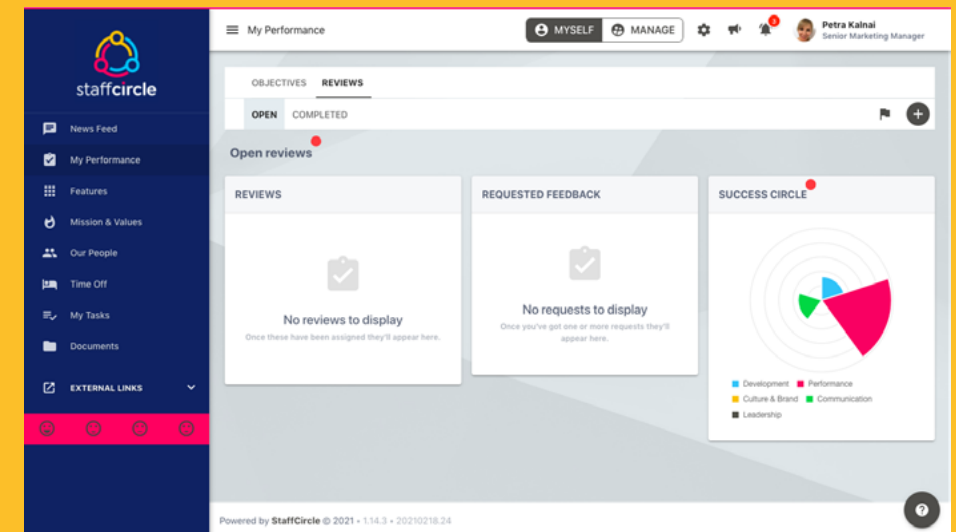
Integrating well-being into work through thoughtful work design.

Source - Deloitte:
The social enterprise in a world disrupted
Leading the shift from survive to thrive

“Designing work for well-being”—how often would a phrase like this have been heard pre-pandemic? But we are now coming to the realisation that well-being and the value of the individual are what drives the most successful businesses.

Building a culture that encourages good decision-making as a priority over the specifics over a job role is perhaps the key human capital trend we are currently seeing, and one that will change the business landscape irrevocably.

However, both human and technological capability are critical to work transformation. Finding and identifying the skills and capabilities that are not just technical but human (including management, leadership and functional skills) are key to future proofing. The right technology can help with reducing the employer-workforce information gap and activating workers around emerging priorities, as opposed to taking a prescriptive approach to filling skills needs.



StaffCircle's Success Circles feature helps identifying the strongest areas within an individual's employee profile

4. THE ROLE OF HR AND BUSINESS LEADERS IN WORKFORCE

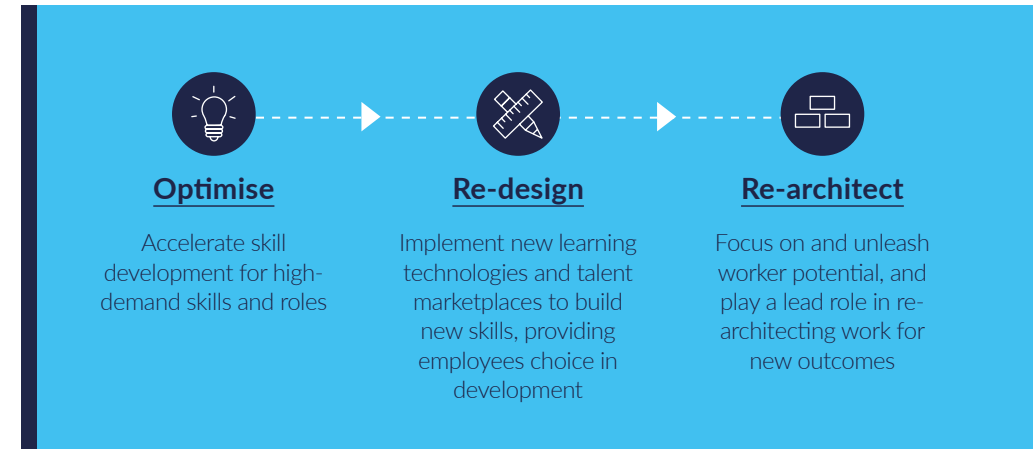
HR leaders, due to the complexities of handling the COVID-19 pandemic, “have earned the right to expand HR’s remit to re-architecting work throughout the enterprise” (Deloitte).

Strategic HR’s role will now include the need to recognise the capabilities of an individual, how that fits into their life holistically, and subsequently how they can best contribute to their organisation—and vice versa.

Returning to the idea of a new skill model and how this might be approached by HR and business leaders, much of this will of course come down to hiring procedures. The necessary hard skills will continue to be relevant, but thinking outside the box

when it comes to recruitment will be part of how the future of workforce planning plays out.

Another important question: how many of our leaders have the attributes to recognise these changes and adapt? We will see casualties, but those leaders with a forward-thinking attitude immersed in the desire to thrive will be the ones who make the right decisions, unleashing the potential of their employees.



Accelerate Skill Development

If someone needs a hard skill, make it a priority. Other more generality applicable skills are more complex and can be worked into an overall performance management and training framework.



Move away from vertical paths...

...and static job descriptions. Create superteams composed of outstanding individuals able to contribute something to any project at any time. Reward them generously for this ability.

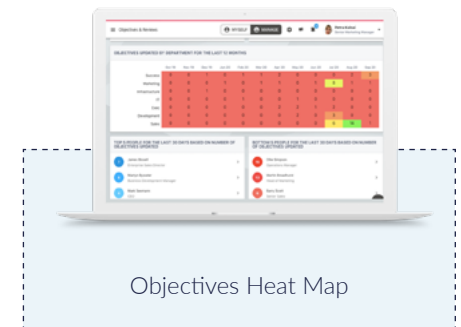
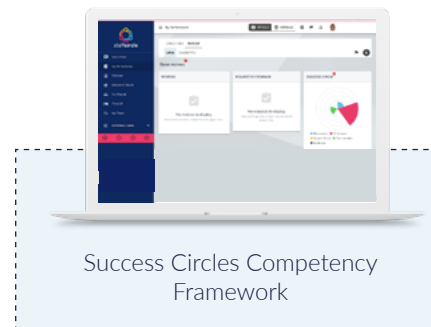
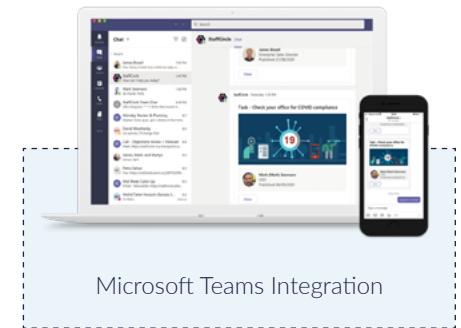
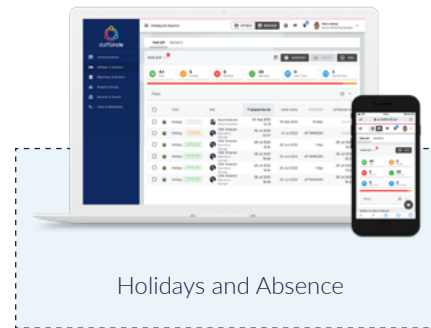


The corollary here is that individuals not performing as they should will have to be handled differently under this strategic HR framework. This is a wider topic, but if someone can't operate in a superteam, their involvement becomes something that needs to be handled with respect—but also with the best interests of the organisation in mind.

5. CONCLUSION

Unlocking employee potential means the ability to adapt, reskill and assume new roles which lead to better judgements in any situation. With abilities like this, teams can be agile, silos can be prevented, and common goals and problems worked towards in a way that yields the best results in the most efficient way possible.

Although not dead, a purely skills-based approach encourages a linear path that doesn't create the best results for organisations when it comes to agility, problem solving and creating new directions. In turn, this doesn't make for an effective company culture. As it is doubtful that we will ever see "business as usual" again, it will be businesses that tap into their employees' potential that thrive and outperform their competitors.



Talk to us about how you could future proof your performance management, employee engagement and communications, even from within Microsoft Teams without having to suddenly change your existing system.

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