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4 Mindset Shifts to Approach Strategic Workforce Planning More Effectively

For most organizations, planning future workforce needs and costs is a tedious process, sometimes disconnected from the bigger picture, and often leading to multiple iterations. When times are tough and the economy is uncertain, it can be even more daunting. Here is some guidance to help you tackle the task more confidently.

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From The Short-Term To The Long-Term

In times when fundraising is relatively easy, organizations tend to hire new staff quickly to support fast-paced growth. It is then easy to fall into the trap of hiring team members that fit short-term needs, without anticipating what skillset will be required to keep growing the company beyond the next few months. Hiring, onboarding, and then potentially replacing team members all come at a cost, and are disruptive operationally. When times are tough economically, you can't afford to miss-hire. This is why taking a step back and identifying future needs, whether in terms of skillset or talent density, will help you look for - and find! - **the right talent that will bring value to the company today... and tomorrow!**

5 to 27x
the amount of a person's actual salary is the estimated cost range of a bad hire.
Based on extensive research from Dr. Bradford Smart, author of Topgrading.

From Yearly Planning To Ongoing Agility

Many organizations are stuck in the traditional, unchangeable yearly planning. However, this approach is often too rigid and fails to account for the ever-changing business landscape. To ensure that your organization can remain agile and competitive, it is important to shift away from this outdated approach and move towards a more agile model. This doesn't imply that organizations must eliminate yearly one-time planning in favor of ongoing planning; rather, the two may be combined. Establishing a dynamic yearly plan that can be adjusted when the situation or demands of the company change will offer you the flexibility required in today's economic environment. By regularly evaluating your team's performance, reviewing their skill set, and looking for areas of improvement throughout the year, you will be able to make changes and anticipate potential workforce shortages before they become an issue.

49%
of businesses that integrate current and longer-term planning are more able to explore a range of future scenarios. *Based on a survey from Ventana Research*

From Full-Time To Hybrid Hiring Modalities

Freelance workers and contractors can serve as a great supplement to support your current workforce. Hiring full-time employees makes sense for a lot of positions. Once onboarded and fully ramped, full-time employees will keep acquiring knowledge about your offering and your industry, and you will benefit from the productivity and efficiency gains that come with longevity in a role. However, freelancers and contractors can be a great alternative in certain areas or at certain times. Not only do they allow you to increase your team's capacity when you need it for a specific project - without committing to a long-term expense - but they also spare you all the additional costs of regular employees, such as social contributions, healthcare, taxes, and other mandatory employee benefits. With a hybrid workforce, you can scale your teams' capacity up and down periodically, while benefiting from very specific skill sets at times when you need them.

83%
of SMBs that frequently hired freelancers agree that freelancers greatly helped in getting the job done. *According to a survey conducted by Linkedin.*

From Spreadsheets To Software

Technology is the key to success. Traditionally, HR or People teams would prepare workforce plans in spreadsheets, which come with a lot of challenges. In particular, it makes it difficult to collect input and feedback from team leaders and get an overarching picture of the whole company's workforce needs. The lack of context often leads to a lack of alignment with the company's business plan. Bringing headcount planning into the broader, more holistic business-planning process, whereby all the financial, commercial, and HR datasets are seen in relation to each other in the same platform, helps streamline the headcount planning process, highlight dependencies, surface valuable insight... in a fraction of the time. This can easily be done with Business Planning or FP&A software for instance.

55%
of "recruitment-to-retire" tasks performed by HR can and will be automated in the near future, allowing more strategic alignment with business objectives, better business intelligence, and higher effectiveness in delivery. *According to a 2022 report from McKinsey*