

### 3.1 Workforce Planning

You have developed your business goals/vision and have specific objectives for the business to achieve in the upcoming period – what do you do next? Review your resources and position the workforce to achieve these objectives.

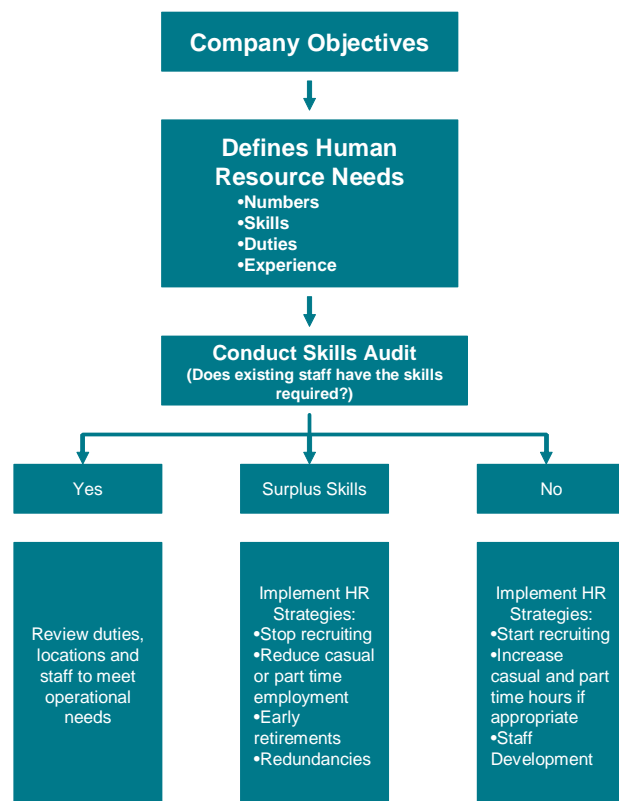
Forecasting future demand of your workforce involves determining the future requirements of the business in terms of specific skills (see *Fact Sheet 3.3 on Skills Matrix*). These requirements are generally based on the strategic objectives that have been determined by business management. These objectives identify the future direction of the business and in turn indicates what (if any) new products and/or services that will be introduced by the company. This new direction should be based on identified consumer demand if it is to succeed. Other considerations include:

- Potential changes in productivity
- New technology that might affect work
- The state of the economy
- Competitor activity
- Budget/financial

Planning the current supply of staff requires you to determine any factors that might impact on the **external** and **internal** forces of supply. This is not always an easy task because there are many variables that can impact on the availability of staff with the skills you need. The process steps should include:

- Identifying what is happening in the labour market
- Projecting likely movements of existing staff (promotions/demotions, resignations, retirements, dismissal)
- Changes to industrial awards/agreements
- Educational trends.

Having identified the future demands of the business, thus the demands for certain skills of employees, the next step is to use this information to develop the actual plan for achieving your business objectives. The diagram opposite simplifies the workforce planning process.



Of course timing is everything and these types of plans and actions should be timed to meet business cycles and demands. You should be prepared to look at carrying small labour overheads if you are required to recruit now for three months down the track.

Follow and review the plans regularly as your internal and external factors change as does your business environment.

By having a solid workforce plan, you identify promotional opportunities to grow and develop existing staff, head off workload issues and manage workplace change well.

**Tip:** Develop a contingency plan. What happens if a number of staff decided to leave at the same time? How would you cope? While this is an extreme example it does illustrate the need to develop contingency plans to help you respond immediately if an unexpected event happens. (In fact, contingency plans for other parts of your business is important too! – look at emergency plans in case of fire or other natural event, major theft, and illness to you!)

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