

Workforce planning: one of the most challenging HR compliance issues for 2018

Beth Zoller

Each new year brings changes in the workplace, government, society, culture, technology and the legal landscape that translate into challenges and obstacles for employers. To gain insight into these challenges, XpertHR conducted a survey in October 2017 soliciting input from over 1,000 HR professionals on their view of the most significant compliance challenges in 2018.

Workforce planning amid an evolving workforce

With an evolving workforce and changing societal demographics, workforce planning appears to be one of the top challenges for employers. In today's increasingly global environment, twenty-first-century employers need to respond to both external and internal factors that shape and impact the recruiting, hiring and retention of workers.

The use of technology and mobile devices allows workers to communicate in more effective and productive ways with employers, managers, coworkers, clients and customers. Brick-and-mortar offices and the traditional 9 to 5 workday is quickly fading, and we continue to see an increase in flexible working arrangements, remote working and a focus on achieving a greater work-life balance. Employers are witnessing the rise of the gig economy and alternative work arrangements, as

workers are no longer swayed by the promise of a steady paycheck and benefits and crave freedom and flexibility. Notions of automation, smart devices, robotics and artificial intelligence are beginning to disrupt the workforce and challenge traditional workers.

Hiring today is challenging and complex amidst the many laws that restrict an employer's ability to gain valuable and insightful information into job candidates. Additionally, there also may be a disconnect between the skill sets of individuals seeking jobs and the positions an employer needs to fill.

Generationally, millennials and Generation Z have joined the workforce in record numbers and are seeking new ways of working and have different expectations of their employers. Further, employers must confront and account for an aging Baby Boomer population, increased health-care costs and making plans for succession and retirement.

XpertHR's survey confirmed workforce planning amid the evolving workforce as a top challenge:

- almost 50 per cent of respondents said this was among their top three workplace challenges;
- 52 per cent of respondents viewed increasing employee engagement, morale and satisfaction as very or extremely challenging;

Beth Zoller is based at XpertHR, New Providence, New Jersey, USA.

- 48 per cent viewed retaining employees as very or extremely challenging;
- 47 per cent were very or extremely challenged by succession planning;
- 46 per cent viewed aligning talent retention strategy with business objectives as very or extremely challenging;
- 44 per cent viewed upskilling employees for future responsibilities as very or extremely challenging;
- 43 per cent viewed managing performance and providing professional development opportunities as very or extremely challenging;
- 29 per cent stated that joint employment and the changing definition of the employer was very or extremely challenging; and
- 28 per cent were very or extremely challenged by flexible working/telecommuting.

Respondents stated that “growth and retention”, “capacity planning, talent pipeline development”, “retention in a very competitive workforce” and “attracting and retaining skilled labor”, “the ever-changing laws and keeping up with them”, “recruitment of high performing individuals”, “providing training related to the changes” and “the declining and aging population in rural locations” were top concerns. Additionally, one respondent noted that “it goes beyond compliance — it’s how to create a transformative HR strategy”. Another respondent revealed that, “employee engagement/organizational health will continue to be a top focus for us”.

What an employer should do

Given these challenges, it is important to be proactive and prepared. An

employer needs to be able to effectively plan its workforce to make sure that it has the right people for the right jobs at the right cost to be successful in a global and competitive marketplace. An employer also needs to take into account the unique factors that affect its business and shape its workforce.

To begin, HR should identify key stakeholders and members of management in different areas of the business and open up communications with them to understand the organization’s short- and long-term goals and how employees can play a role in bringing them to fruition. It is also critical to understand how to effectively use data throughout workforce planning, from recruiting and hiring to performance management to retention. Good data analytics can help to understand where and how to focus efforts and can assist in tracking progress. Primary goals should be to increase productivity and efficiency in the workplace and keeping costs low.

With respect to hiring, an employer should:

- focus on looking for experience in the industry, but also focus on the skills, competencies and talent individuals may bring to the table that can benefit the organization;
- keep budget and business goals in mind;
- consider whether when and how to use gig and contract workers as part of the workforce and what the primary objective will be (i.e. cost savings);
- understand how technology and mobile applications can aid recruiting; and
- be aware of new laws that ban an employer from seeking salary history information or criminal history and make sure recruiting is legally compliant.

With regard to training, an employer should encourage employees to continue professional development and work with them to develop long-term skills. A focus on leadership and development, along with mentoring and coaching programs, may provide support and guidance to employees who will be able to move into key roles in the organization. An employer can help close the talent gap by creating an atmosphere centered on education, professional development and leadership opportunities throughout an individual’s career. Employees should be able to highlight their key strengths and competencies and work to build on them for the better of the organization.

An employer should consider how it will handle performance management and reviews, what its goals will be, who will conduct the review and how often reviews will be conducted. It is important to evaluate employee retention and engagement and why the employer may be losing employees, which employees it is at risk of losing and how to retain them (i.e. increased compensation, better benefits, better work–life balance).

It is important to listen to feedback from employees, whether it be through informal meetings, employee engagement surveys, etc., to know what is, or is not, working in terms of employee engagement and retention as this can provide valuable information to employers on how to improve.

With aging Baby Boomers, an employer needs to consider retirement and how employees will leave the workforce, what packages and benefits it will offer, when employees will be eligible, who will replace them and will it be possible to retain older workers in an alternative work capacity.

The workforce is often an employer’s single largest cost. Therefore, having the right people in the right place and at the right time and cost is extremely

important. With proper planning, you minimize risks associated with executing a business strategy. As the cornerstone of strategic human resources, workforce planning can have a positive impact on a company's ability to acquire, inspire and retain talent.

Workforce planning is, and will likely continue to be, a primary concern for HR and one that will require thoughtful

planning and development as the workforce continues to grow and evolve.

To download a copy of the full survey whitepaper, visit XpertHR.

Further reading

Clear Company, HR.com (2016) "Workforce planning: a forward-looking approach to getting the right people in

the right Jobs", available at: <http://info.clearcompany.com/hubfs/Workforce%20Planning.pdf> (accessed 12 December 2017).

Corresponding author

Beth Zoller can be contacted at: Beth.Zoller@reedbusiness.com