RIP Workforce Planning

How Skills Intelligence and AI are changing the face of Workforce Planning – for good.

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01

This is a new era for talent.

Businesses are increasingly realizing that they cannot solve their biggest problems, or seize their most important opportunities, without a truly agile talent strategy. With people at the heart of every business success (or failure), companies need a more flexible way to assign the right person to the most crucial tasks, quickly.

In 2023, growing skills gaps are at the forefront of leaders' minds. While unemployment is low, demand for talent is high. New technologies require new skills – and the "half life" of skills is shrinking. (In 2017, the World Economic Forum said each skill becomes half as valuable every 5 years. By the end of 2021, this number was estimated to be closer to 4 years – and it's lower for technical skills.)

In other words – companies are struggling to find the skills they need to do the work that needs to be done, and their processes can't keep up with their changing needs.

In a world where thriving as a business means the ability to pivot into new markets, launch new lines of business, and change how you serve customers… you can't make a plan for your workforce once a year and hope it will suffice.

Planning and decision making around talent needs to speed up… and it can't be a stab in the dark. Mistakes in hiring can be costly. How do you put the right talent in the right place, right on time?

CEOs are well aware of the impact talent shortages have on growth, with workforce plans a top three priority for 2023. With HR leaders being asked to do more with less, and workers at all levels are ready for change, the time is now to breathe life into the dying art of Workforce Planning.

The Biggest Talent Challenges In The Next Year

Attracting and retaining the next generation of workers.

49%

Being able to adapt talent approaches quickly to changing market conditions.

51%

Increasing skills shortages/harder to find the skills they need.

54%

Developing a sustainable working model.

55%

02

Workforce Planning is dead.

For some time now, Workforce Planning has been somewhat lifeless: undertaken once a year, with expensive consultants poring over spreadsheets to analyze what people you have, what you may need in the future, and how to allocate headcount in the most efficient way.

As a result, corporations have struggled to meet their changing talent needs during constant and quickly shifting business cycles. Customers have had to be turned away; the development of high-margin products had to be curtailed; new markets unexplored or underutilized.

There are two big, related issues with how Workforce Planning is currently carried out.

Firstly, businesses don't have the relevant skills data. The insights you need to make decisions are not good enough – and we know poor quality data leads to poor quality outputs. You don't know enough about the talent inside your organization, or in your wider talent pool, or in the labor market, to make good, timeous decisions.

Secondly, the plan is not treated as a living "document" that can change as supply or demand shifts. Without rich, real-time information, you cannot make smart talent allocation decisions on an ongoing basis, or anticipate future supply or demand changes and respond accordingly.

For Workforce Planning to form the lifeblood of an organization, as it needs to, a new approach is vital.

03

Enter real-time Workforce Planning.

With the demise of traditional Workforce Planning, a new reality is possible. Thanks to advances in technology, talent data can now be gathered, enriched and understood quickly – and kept up to date automatically.

Innovative technology means you can have dynamic, AI-driven Workforce Planning that gives managers continuous insights around how best to develop their team's skill portfolio, when to hire (and the likely costs), and when it's faster or more efficient to source internally, upskill workers, or open a short-term project or gig.

This real-time intelligence can be provided to managers in the flow of work, inside platforms like Slack and Microsoft Teams, making it easier and faster for them to make the right talent decisions.

Working with real-time Skills Intelligence gives organizations a connected, holistic and (for the first time) useful way of allocating people to 'jobs to be done'.

04

You need Skills Intelligence.

As you know, the skills required for key roles at your business are changing faster than ever. You have to react to market changes and new priorities constantly. So you need a talent plan that helps you understand what's going on, and quickly change tack.

- Hirers leveraging skills data to find the right match are 60% more likely to find a successful hire than those not relying on skills. (LinkedIn)
- 73% of workers say skills-based practices would improve their experience at work. (Deloitte)

Most companies don't even have a clear picture of what they have today, never mind the skills they might need tomorrow. Those with a decent understanding of the skills makeup of their workforce don't know how it is changing over time, or how it maps to their evolving Job Architecture.

And even those with some idea of their own workforce's skills can't compare that to the wider market, or find patterns in external data to highlight potential gaps, or future needs.

In our research, Navigating The Changing Talent Landscape, less than 60% of the business leaders we surveyed thought their businesses understood what skills they may need in the future (56%) "to a great extent". This was even lower in larger organizations[1] (54%).

The basis of any workforce plan is workforce insights – understanding, firstly, what you have. You need insights to be relevant for your business and industry, deep and useful, and dynamic. You need Skills Intelligence.

[1] Those with more than 5000 employees

Dynamic Skills Intelligence is essential to real-time Workforce Planning – **and it is now possible.**

05

Getting to a unified picture of skills

To achieve true Skills Intelligence, the starting point is a clear taxonomy around skills – how you are defining "skills" in your organization. (Does "Product Management" mean the same thing across your business? Is it similar to how other companies define it? Are you categorizing soft skills differently to technical skills?)

From here you would start to think about organizing your own skills data inside your organization: the skills people have, and the skills related to roles in your Job Architecture. This takes us from taxonomy to ontology: mapping the connections between people, skills, roles and other elements of work.

Many companies have started to attempt this, and it can feel like an uphill battle.

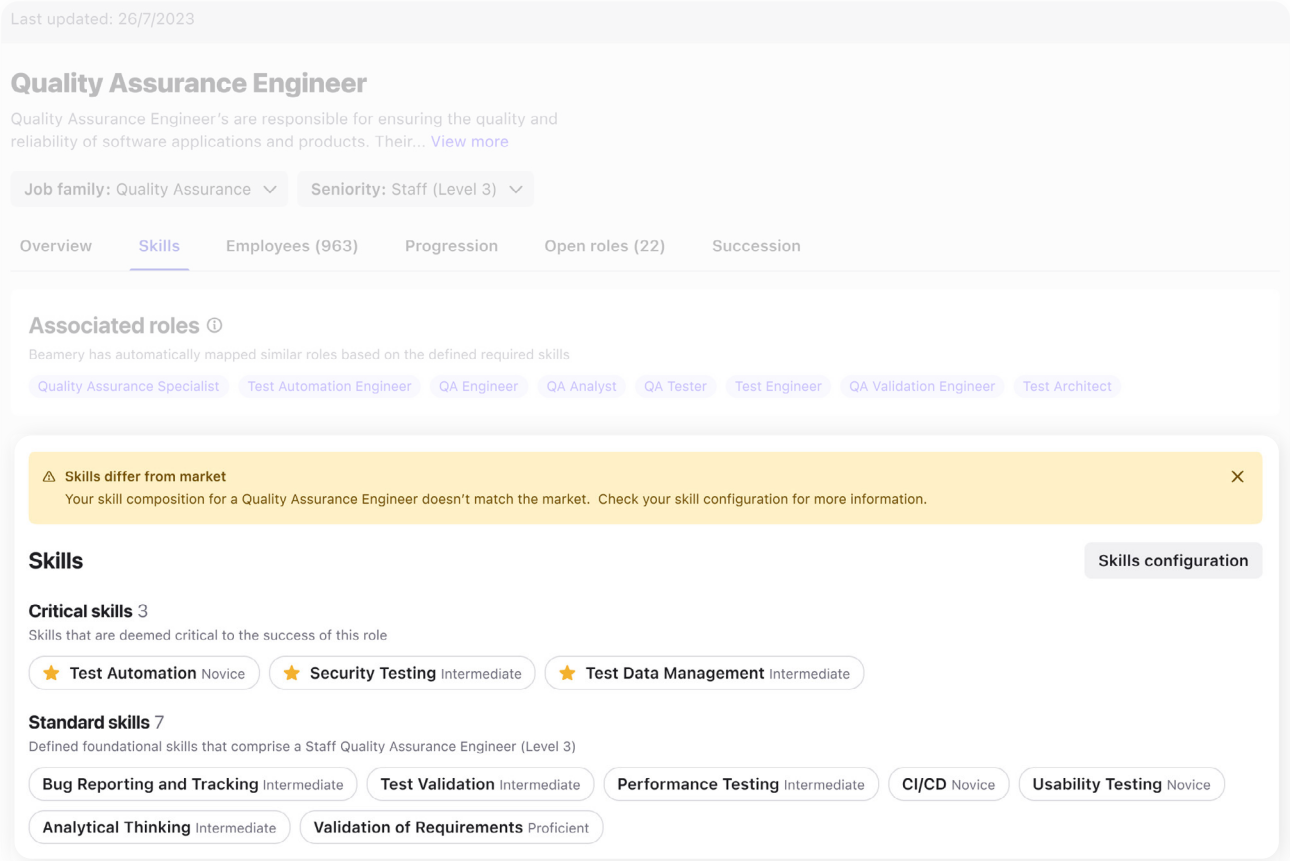
- The approach is fragmented: skills data lives in various systems. Data about candidates lives in an Applicant Tracking System (ATS), while employee data may be in various Learning Management Systems, and an HRIS. Data relating to potential candidates (and alumni) may sit in a Talent CRM – assuming it exists at all.
- HR data is complicated: unstructured and subjective, because it relates to human beings – who are, of course, complex.
- Data about people goes out of date quickly. People learn new skills, gain new experiences, and develop new aspirations, interests, relationships and insights. This is hard to capture.

Organizing skills data isn't easy and, without the smart application of new technologies like AI, it's basically impossible.

A knowledge graph powered by AI will help you ingest and connect many data points from various sources, and then integrate with (and expand on) existing skills ontologies. That is, you can build a picture that shows how people connect to skills, which connect to roles and tasks, which connect to the wider business goals and so on. The picture dynamically updates when anything changes internally.

With this, you get the elements of a skills database you truly need:

- A single source of truth, with standardized and enriched data
- Data that stays up to date as people's skills evolve
- Skills grouped into relevant clusters
- All-important context around seniority, proficiency, and relevance to a given industry.



The new era for Workforce Planning, in a skills-first approach, also brings together insights about supply (the skills you have, or could have) with insights related to demand (the work to be done).

True Skills Intelligence relies on a consistent skills “language” that makes sense for your organization, applied to the people and roles within it, along with external labor market data, all available in real time. You’ll want to assess the evolution of skills availability on the wider job market, as well as with competitors.

Bringing these together will give you intelligent insights to help you make better, faster decisions around talent – on an ongoing basis.

06

It's time to embrace AI.

AI is one of the reasons that skills needs are changing and skills gaps are emerging. Jobs are changing, and the things we need from people – creativity, empathy, problem solving – are taking on a new importance. Meanwhile, we are able to automate some of the more arduous tasks, find faster ways to get things done, and get to quality 'outputs' faster.

This is certainly true in the new era of Workforce Planning.

With AI and related technologies, organizations can now:

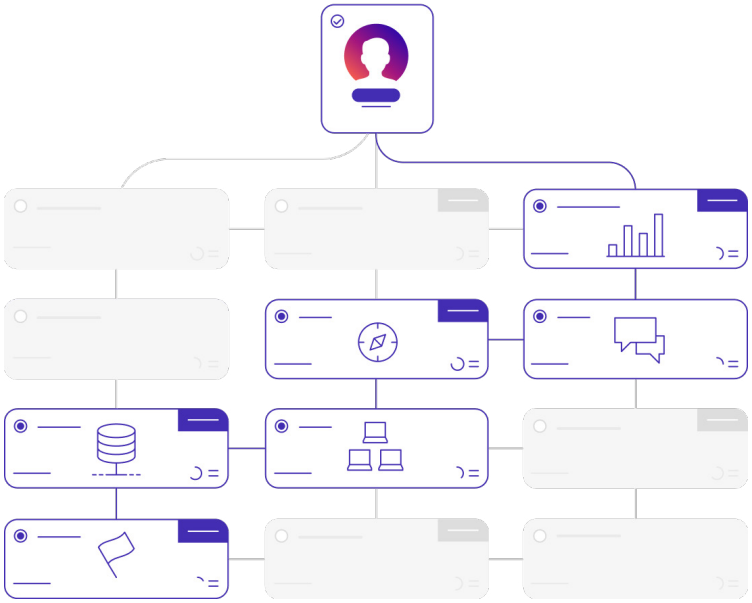
- Centralize skills data in one place
- Improve the data
- Get comprehensive analysis
- Generate actionable insights
- Match skills demand to skills supply.

AI can help with data validation, enrichment, and inferring missing information (it could, for example, extract or infer skills from other pieces of information, such as experiences outside of work, or hobbies and interests).

A Skills Adjacency Map can be generated at the touch of a button, to show you the proximity of one skill to another, and the actions and costs required to develop them.

With the right tech, you can uncover which are the most critical skills, and make inferences and get insights, such as which skills are usually paired with which other skills, unique pairings of skills and – crucially – the number of people with a given skill vs. future needs.

You need a tech partner that can provide all this, as well as accurate forecasting and scenario planning, to help you spot strategic workforce interventions – really quickly.

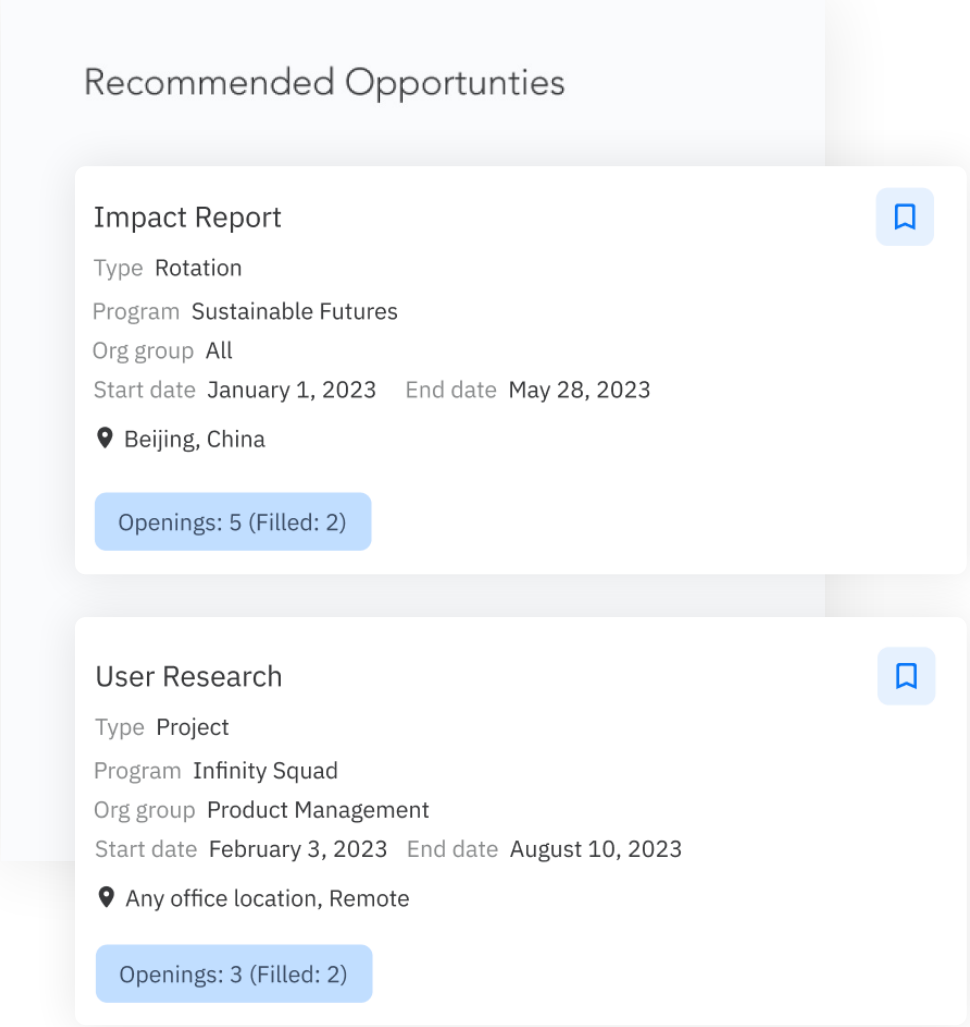


07

Adopt a new mindset.

Bringing the workforce plan back to life inside an organization does require a complete rethink about talent, jobs, and work, across the business.

The dynamic, real-time Workforce Planning approach matches people to opportunities based on high quality insights – the Skills Intelligence that sits at the heart of everything. What this means is that talent can be trained in new skills, or redeployed to where their existing skills would be most useful, as business needs change.



It also defines those opportunities in a more fluid way. “Jobs” are broken down into smaller components (related to the skills needed to get specific tasks done) to make it even slicker to find qualified talent to pick up the work.

	Role-centric	Skills-centric
Define demand	Focused on headcount	Focused on skills
Assess & select	Reactive, focused on experience	Forward-looking, focused on skills
Onboard & ramp	A “one-size-fits-all” approach	Tailored journey based on employee needs
Develop & retain	Career progression depends on open roles	A dynamic approach, promoting career exploration

Therefore, the cultural shift towards total “talent agility” is a critical component of this new approach. Leaders must ensure that the company fosters a culture of continuous learning, promotes cross-functional collaboration, encourages employees to acquire and develop new skills, and assists colleagues in finding new opportunities inside the organization (rather than going elsewhere).

Organizations must consider how they can tap into new and diverse talent pools. With real-time workforce planning, powered by Skills Intelligence and AI, you are able to look at previously untapped talent pools through the lens of skills and potential – and potentially uncover people you wouldn’t have previously considered for certain types of roles.

People who have previously applied for roles at your company, already work there, joined the talent community, worked for you and left, came really close to securing a role… When you are matching talent to opportunities based on the shared language of skills, you can find ideal candidates in unexpected places. Remember, AI makes it easy.

Embrace innovative new recruitment approaches, where potential is analyzed alongside current skills. Consider gig economy platforms, or implementing a Talent Marketplace for employees to find their own short-term or full-time moves. Set up (self-directed) reskilling and upskilling programs, to unlock the potential of existing employees. All of this can be done in alignment with the (changing) goals and direction of the wider business.

08

Adapt swiftly to evolving market demands and operational needs.

What does all this look like in practice?

By understanding employee skills and competencies, at any given moment, organizations can promptly identify areas where they already possess the necessary skills to seize new opportunities or address emerging challenges.

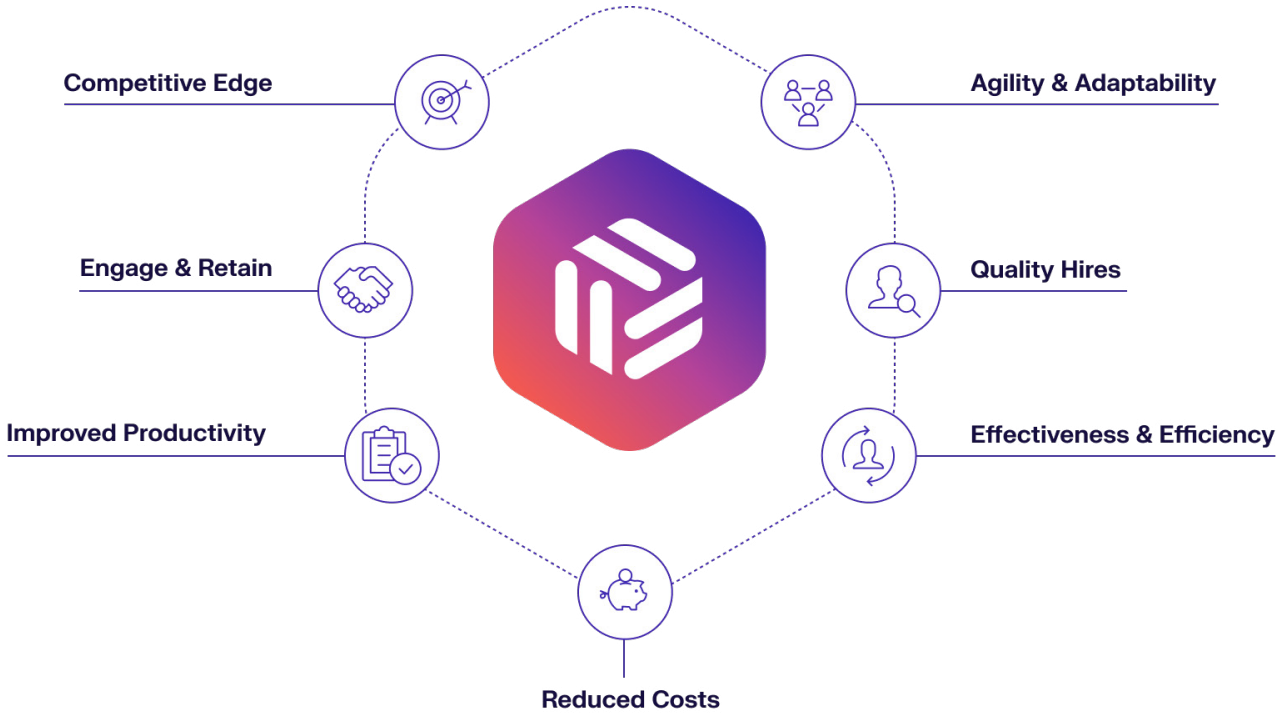
Beyond that, if they bring all their talent data together and enrich it with AI, they can fish from a wider pool – and meet goals faster, with the ideal fit.

Suppose an FMCG organization decides to launch a new product line. With the right Skills Intelligence, they can quickly identify employees who already have the requisite skills to support the endeavor, and swiftly reallocate them.

Suppose a retail organization is pivoting to a new ecommerce platform. By understanding the wider labor market in relation to their own internal capabilities, they can identify (perhaps underutilized, or disengaged) employees who could be upskilled in digital marketing or web development, to deliver on the necessary transformation.

08

Bring Workforce Planning back to life.



Armed with readily available data, supercharged by explainable AI, organizations can now respond rapidly to unfolding opportunities or challenges, ensuring the right people occupy the right roles. Having the right people in the right roles, equipped with the appropriate skills, enables teams to perform at their best, fostering efficiency and effectiveness across the organization.

Through all of this, more agile and strategic Workforce Planning reduces organizational costs (of attracting and hiring external talent when it's not needed, or of making errors in hiring) and helps you see improvements to profit as well as productivity.

A workforce plan is meant to provide your organization with a continuous competitive advantage over competitors in all areas of talent – and for years this has not been the case. Transformation is sorely needed. An enterprise-wide shift to real-time Workforce Planning is required… and the technology to embrace this shift is finally here. What are you waiting for?

Get in touch with Beamery today to learn more about how we can help.

About Beamery

Beamery's Talent Lifecycle Management platform allows enterprises to create more human experiences for all talent, and unlock the skills and potential of their global workforce.

We help organizations identify and acquire top talent, move the needle on DE&I, close key skill gaps and retain top performers.

For more information, visit the Beamery website, follow @BeameryHQ on Twitter, or email us at info@beamery.com.

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