CHAPTER 5

Workforce Forecasting and Planning

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# Chapter objectives (C.O.)

After reading this chapter you will be able to:

C.O.1: Explain the purpose of workforce planning and identifying initiatives for its implementation.

C.O.2: Examine the usefulness of different quantitative and qualitative forecasting tools.

C.O.3: Apply a scenario building exercise in forecasting the future job market.

# Summary of Chapter

## C.O.1: Defining the purpose of the workforce plan

The workforce plan helps align an organization’s human capital with its strategic needs. A workforce plan recognizes changing demographics, such as the impact of a shrinking pool of younger workers entering the workforce in focusing its recruitment, selection, and training within the competencies required to meet future organizational objectives. The workforce plan develops a number of workforce strategic themes, objectives and initiatives to meet the organization's priorities and environmental context. A strategic theme could cover an employment equity policy which defines the organization's commitment to equity in employment and workplace practices. The plan will identify initiatives (or programs or activities) to implement strategic objectives such as attracting staff during a time of labour shortage, reducing staff during times of restraint, or developing staff for long term careers in the organization.

C.O.2: Assessing the usefulness of different quantitative and qualitative forecasting tools

Trend analysis, scatter plots, ratio analysis, and simulation models are some of the quantitative tools which can be used in forecasting. These can be combined with qualitative tools such as scenarios, group consensus, nominal group, and Delphi that encourage people to think "outside of the box."

## C.O.3: Using scenarios in workforce planning

Predicting the future is very difficult to do particularly in the midst of fundamental changes in our society. In helping us understand our future, scenario planning is based on the assumption that we should not try to predict things that are generally unpredictable. Instead, a productive way to proceed is to develop alternative stories about the future, while recognizing that there is more than one possible way that the future might unfold. Then, we can test our proposed plans or decisions against these alternative scenarios.