

Organizational Effectiveness

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Five Steps to Navigating Workforce Strategy

Success in today's hyper-competitive global economy requires a clear vision of where a company wants to go, the strategy to take it there and the value it delivers. To achieve that success, a company must apply the same rigor in developing a workforce strategy as it does in creating a business strategy.

In the changing world of work, the one constant is the need for an exceptional workforce. This is regardless of the economic environment, your industry or geography, your size or your earnings. This strategy requires a comprehensive understanding of how complex trends and shifting business realities will impact your business – now and in the future.

Increasingly, the demands and composition of the workforce are shifting in response to economic, social and demographic trends. The need for more specific skills is creating a growing talent mismatch and scarcity of ready-now leaders. Multiple generations and cultures in the workplace have resulted in changes in motivations and preferences – profoundly impacting individual choice. Technological developments allow new ways of getting work done. It has never been more challenging to manage your workforce effectively.

Despite their varied implications, these trends revolve around one central theme – the need to empower the right people, in the right places, in the right ways. This requires a sustained commitment to, and a strategic investment in, talent. The company that pays the most attention will win. Your talent assets need to be managed as aggressively as the fine-tuning you apply to other organizational assets. Everything else fails if you do not have the right talent in place.

This requires an alignment of workforce strategy with business goals. Talent is the number-one impediment or success factor to executing your business plan.

To navigate an effective workforce strategy, senior leadership must first identify and gain alignment around top workforce priorities. In this context, leadership needs to hone in on the needs and supporting practices for critical dimensions required for the workforce to perform at optimum levels. Such dimensions include:

- ◆ **Strategy** – The overall purpose, strategic intent and expected business outcomes of an organization.
- ◆ **Flexibility** – The ability of the organization to manage its fixed and variable costs for the highest possible return on human and financial resources.
- ◆ **Culture** – The daily expression of an organization's values, behaviors, mindset and tone.
- ◆ **Leadership** – The values, behaviors, mindset and tone set by those responsible for driving the culture, performance and execution of the business strategy.
- ◆ **Engagement** – The values, behaviors and activities that motivate the workforce to exert greater discretionary effort in the performance of their responsibilities.
- ◆ **Capability** – The skills, abilities, characteristics and resources to deliver on the business strategy.

Why make the investment? Building an exceptional workforce will drive higher levels of performance and will positively impact your organization's ability to deliver on its business strategy. Investing in this process upfront will identify constraints and accelerators to organizational performance – top strengths to leverage and top priorities to fund. Furthermore, it will increase executive alignment across functions and geographies, while also aligning talent initiatives to business goals – whether they are related to globalization, growth, productivity or even the brand.

Architecting Workforce Strategy

It all starts with assessing the strengths and gaps of existing talent and business capability, balanced against what is needed to fulfill the business objectives today and in the future. To achieve this, we recommend a five-step process:

1. Engage Senior Leaders

The first step in the process involves a conversation with senior leaders to better understand the business context and the need for alignment around the top workforce priorities. During this discussion it is important to understand the organization's goals and identify all stakeholders who should be asked to weigh in on the next step.

2. Interview All Stakeholders

We recommend conducting brief one-on-one interviews with all stakeholders to introduce the objectives of the process, and to gain their perspectives on the greatest challenges and needs facing the organization. These interviews are an important part of the discovery process, and establish understanding and commitment.

3. Gather the Data and Assess Priorities

Conduct an assessment that asks leaders to consider key workforce challenges and the strategic choices being faced – the *what* and the *how* of your workforce strategy.

- ◆ *The What:* Leaders individually rank workforce strategy “needs” along two dimensions – *importance* to the organization and *satisfaction* with the organization's ability to execute.
- ◆ *The How:* Leaders then assess how effective the organization is at delivering best-in-class work practices by ranking workforce strategy “practices” along two dimensions – *value* they believe them to have for the organization and *effectiveness* in executing the practices today.

4. Analyze Results

After the assessment is completed, analyze and share initial findings with the leadership team, highlighting areas of greatest alignment and variance across six key dimensions: Strategy, Flexibility, Culture, Leadership, Engagement and Capability.

5. Develop and Implement an Action Plan

Conduct an action-planning session that helps leaders align around the strategic choices that are required to execute on business strategy. The key outcome is a tailored implementation plan that will drive accountability for execution and results in the organization.

Conclusion

You have many options for the creation of a workforce operating model, and a plan for talent acquisition, compensation, retention, performance management, development, redeployment and transition. The key is to align the *right workforce strategy* with *your business strategy*. To achieve this, it is critical that leadership is aligned on the priorities and gaps and the practices to address them.

Undoubtedly, your most valuable asset continues to be your workforce. How you manage this asset spells the difference between success and failure.

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Linkage is a global organizational development company that specializes in leadership development. We provide clients around the globe with integrated solutions that include strategic consulting services, customized leadership development and training experiences, tailored assessment services, and benchmark research. Linkage's mission is to connect high-performing leaders and organizations to the futures they want to create.

With a relentless commitment to learning, Linkage also offers conferences, institutes, summits, open-enrollment workshops, and distance learning programs on leading-edge topics in leadership, management, human resources, and organizational development. More than 200,000 leaders and managers have attended Linkage programs since 1988.

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