

Operational vs. Strategic Workforce Planning:

Understanding the Difference and When to Use Each



Strategic Versus Operational Workforce Planning

Strategic Workforce Planning ensures that people strategies align with the organization’s strategic plan. It is a holistic framework that guides you to assess and analyze the impact of internal and external trends on the workforce, considers the current state, explores alternate futures, and then highlights actions to define and create the preferred future workforce that is capable of delivering the organization’s strategy, usually looking 3-5 years into the future.

Good Strategic Workforce Planning recognizes that the workforce is not homogenous and so there is a need to segment the workforce. Great strategic workforce planning will use expertise and judgment to explore multiple possible futures, and then set an action plan for your targeted future. Rather than attempting to mathematically predict a certain future and over-simplifying the real world, it creates agility and prepares the organization for any event.

A true strategic planning approach will focus your attention on collecting and processing the most important and valuable information, avoiding the danger of information overload. This should be done in conjunction with staff and managers to provide the best overview of the organization. It should also include qualitative as well as quantitative aspects, look forward (ie not just base itself on history), and incorporate things that happen outside the organization (not just your own internal data).

On the other hand, operational workforce planning aligns with the business operation plan and generally forms a basis for operational decisions to address short-term planning needs affecting daily

One of the most important things an organization can do is plan for the future, but there are fundamentally two different kinds of planning: operational (or tactical) and strategic. Both kinds are required when planning your workforce, as they serve very different needs.



operations. The most commonly seen example of operational planning is the quarterly staffing plan, usually aimed at calculating how many people you need to hire based on “business as usual” or known events in the coming months. Operational workforce planning should only be done in the context of a strategic workforce plan, just as the business operational plan priorities and risks are influenced by the Strategic Plan.

The chart at the right highlights some of the key differences between Strategic and Operational workforce planning.

Ultimately, Strategic Workforce Planning leads you to develop a future workforce profile that allows you to design talent management strategies with a defined goal, and with measurable targets. Once those are in place, an operational plan allows you to refine the details of headcount, recruitment and training, and to track the metrics associated with them. However, the operational plan doesn’t lead you to create those vital talent management strategies in the first place!

Conclusion

Strategic Workforce Planning improves the decision-making process from enterprise to regional/local levels, and enables organizations to craft comprehensive, targeted talent management strategies. This degree of decision support and analysis also enables organizations to decisively monitor and improve results as they anticipate their future workforce. Strategic workforce planning should not be an afterthought or an add-on to existing HR deliverables. It should be a key part of the business strategy itself as globalization, skills shortages, educational trends and other factors significantly alter the labor market.

For more information on how we can help your organization with Strategic Workforce Planning, please contact us, or visit www.aruspex.com.

Item	Operational	Strategic
Need	Accurately forecast hiring and/or training needs	Develop the best talent strategies for longer-term success
Timeline/ Planning Horizon	Usually 12 months with a quarterly focus – matches the yearly business plan	Usually 3 years or longer – matches the organizational strategic plan
Integrated with	Annual or quarterly financial/ budgeting process	Strategic planning process
Inputs	Mostly internal data, some management decisions	Wide range of internal and external information including demographics, business strategies, global trends, etc.
Outputs	Staffing plans, skill gaps	Human Resource/People Strategies
Scenario Planning Approach	Uses variables to explore different models of staffing	Uses futuring techniques to question current paradigms and explore alternative futures not necessarily based on today’s approach
Forecasting	Key focus	Only part of the process – forecasting is too limited in terms of timeline and scope to be the core of the process
Segmentation Focus	Internal demand	Internal and external, demand and supply are all segmented
Skills	Competencies may be audited or gathered at an individual level	Strategic Capabilities analyzed and gathered at the group level
Performed by	HR or staffing organization with input from the business	Business, facilitated by HR
Focus	Operational Management – Line and BU Managers	Strategic Management – Executive and Board
Aligns to	Business Plan	Strategic Plan
Terms used	“Predict”, “Calculate”	“Explore”, “Design”