Hot Labor Markets Making the Case for Workforce Planning

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As of November 2018, the U.S. unemployment rate remains at a record low 3.7%. The all-out competition for top talent is about to get ugly. In a recent story, The *Wall Street Journal* reports that railroad companies BNSF and Union Pacific are offering signing bonuses of up to $25,000 to new workers. This kind of high-priced solution to labor shortages provides an instructive lesson on why workforce planning is an essential part of your talent strategy.

BNSF and Union Pacific aren't paying these signing bonuses because it feels good. They are paying them because they have determined that the cost of doing so is lower than the cost of letting these roles go unfilled. Mission critical roles that go vacant cost your organization in lost revenue, lower productivity, and lower engagement because everyone is working harder to make up the slack. Even basic workforce planning can address or at least ameliorate talent issues of this sort, but getting support and buy-in from HR and business leaders isn't always easy. Here are a few tactics you can use to make the case for investment in workforce planning at your organization.

Quantify the cost of your talent gaps. Money is highly persuasive. If you can roughly quantify the cost of an essential position that goes unfilled in financial and operational terms, people will listen. Not only will business leaders look on you with a strange new respect, they'll have follow up questions like, "Can we get a regular meeting to discuss this?" or "Can we put together a plan to close this gap?" That's your opportunity to make a broader case for workforce planning.

Work across teams and functions to get the right data and promote a holistic view. While much of the information you need to get started with workforce planning already exists in your HR systems, it's important to look at data from a variety of sources in your organization. If you're trying to estimate the cost of leaving an essential position open as described above, you'll want to work with people in Finance and in operations to gather data on revenue and productivity. This will help you look at the issue holistically and build your argument on data the business already trusts. This type of exercise is also important because you're building relationships that will help you build support for workforce planning beyond HR.

Start with a pilot project. If you've already identified a talent gap and everyone agrees that addressing would be valuable to your organization, start with a pilot program. Pilot programs are a smart way to make the case for better workforce planning resources. Pilot programs have a few distinct advantages: they are cheap, they keep initial expectations low and make it easy for you to succeed, they give you the opportunity to experiment and learn before you've made a big investment of time and resources.

As the labor market tightens, now is the perfect time to start building the case for workforce planning at your organization. The need is there, all you need to do is demonstrate the power of workforce planning to address it.

If you want to learn more about workforce planning, watch this webinar on-demand: Getting Started with Workforce Planning: How to Build an Agile Workforce Planning Team.