An Operational Process for Workforce Planning

Robert M. Emmerichs
Cheryl Y. Marcum
Albert A. Robbert

Prepared for the Office of the Secretary of Defense

RAND
National Defense Research Institute

Approved for public release; distribution unlimited
The research described in this report was sponsored by the Office of the Secretary of Defense (OSD). The research was conducted in the RAND National Defense Research Institute, a federally funded research and development center supported by the OSD, the Joint Staff, the unified commands, and the defense agencies under Contract DASW01-01-C-0004.

Library of Congress Cataloging-in-Publication Data
Emmerichs, Robert M.
   p. cm.
   “MR-1684/1.”
   Includes bibliographical references.
   ISBN 0-8330-3452-9 (pbk.)

UC263.E28 2003
355.6 ’0973—dc22
2003015748

The RAND Corporation is a nonprofit research organization providing objective analysis and effective solutions that address the challenges facing the public and private sectors around the world. RAND’s publications do not necessarily reflect the opinions of its research clients and sponsors.

RAND® is a registered trademark.

Cover design by Barbara Angell Caslon

© Copyright 2004 RAND Corporation

All rights reserved. No part of this book may be reproduced in any form by any electronic or mechanical means (including photocopying, recording, or information storage and retrieval) without permission in writing from RAND.

Published 2004 by RAND
1700 Main Street, P.O. Box 2138, Santa Monica, CA 90407-2138
1200 South Hayes Street, Arlington, VA 22202-5050
201 North Craig Street, Suite 202, Pittsburgh, PA 15213-1516
RAND URL: http://www.rand.org/
To order RAND documents or to obtain additional information, contact Distribution Services: Telephone: (310) 451-7002;
Fax: (310) 451-6915; Email: order@rand.org
Workforce planning is an organizational activity intended to ensure that investment in human capital results in the timely capability to effectively carry out the organization’s strategic intent.\(^1\) This report describes a RAND-developed methodology for conducting workforce planning applicable in any organization. We describe the methodology primarily in terms of its application at a business unit level. We recognize that workforce planning activities can be accomplished at other organizational levels (for example, major divisions within large organizations or even at corporate headquarters). We believe strongly, however, that workforce planning, if not conducted by a business unit itself, nevertheless benefits extensively from the active participation and input of business units.

This report is based on our review of workforce planning in governmental and private-sector organizations and our analysis of the results of the initial application of workforce planning in the DoD acquisition community.\(^2\) In addition to the active involvement of

\(^1\)We define \textit{strategic intent} as an expression (sometimes explicit, but often implicit) of what business the organization is in (or wants to be in) and how the organization’s leaders plan to carry out that business. Leaders usually express strategic intent in the organization’s strategic planning documents. In particular, the business the organization is in (or wants to be in) is often outlined in a vision, mission, and/or purpose statement. How the leaders choose to carry out the business is often captured in goals, guiding principles, and/or strategies. A major task for workforce planners is to identify explicitly those elements of strategic intent that workforce characteristics help accomplish.

\(^2\)Six DoD components completed an initial application of the structured workforce planning process described herein for its acquisition community during the summer of 2001.
business units, we identified three key factors contributing to successful workforce planning:

- enthusiastic executive and line manager participation
- accurate and relevant data
- sophisticated workload models (which help translate expected workloads into requirements for workers) and inventory projection models (which depict how the expected composition of a workforce will change over time).

Different perspectives provide insight into the degree to which these factors influence the effectiveness of the workforce planning activity. Therefore, we structured this report around three points of view: a goal-oriented view—addressing why an organization should conduct workforce planning; a structural view—addressing what questions an organization can answer with workforce planning and the information needed to do so; and a process view—addressing how an organization can effectively focus the contributions of its key participants in conducting workforce planning.

The goal-oriented view sets the stage. It identifies three purposes of workforce planning:

- to obtain a clear representation of the workforce needed to accomplish the organization’s strategic intent
- to develop an aligned set of human resource management policies and practices\(^3\)—in other words, a comprehensive plan of action—that will ensure the appropriate workforce will be available when needed
- to establish a convincing rationale—a business case—for acquiring new authority and marshalling resources to implement the human resource management policies and programs needed to accomplish the organization’s strategic intent.

\(^3\)An aligned set of policies and practices supports the leaders’ strategic intent (i.e., the policies and practices are vertically aligned) and are mutually reinforcing (i.e., they are horizontally aligned).
In this context, accomplishing strategic intent is the central goal of workforce planning. The leaders’ strategic intent focuses workforce planning. Because strategic intent is best defined and articulated by corporate and business unit executives and line managers, the clarity and quality of their input represents a critical factor in successful workforce planning.

The structural view expounds on the purposes of workforce planning. Four central questions capture the major structural themes of workforce planning:

1. What critical workforce characteristics will the organization need in the future to accomplish its strategic intent, and what is the desired distribution of these characteristics?
2. What is the distribution—in today's workforce—of the workforce characteristics needed for the future?
3. If the organization maintains current policies and programs, what distribution of characteristics will the future workforce possess?
4. What changes to human resource management policies and practices, resource decisions, and other actions will eliminate or alleviate gaps (overages or shortages) between the future desired distribution and the projected future inventory?4

Figure S.1 shows a blueprint portraying the interrelationship of the questions and the information needed to obtain the answers. It highlights the three key success factors mentioned earlier. Executive and line judgments are critical to questions 1 and 4; data availability is essential to question 2; and a modeling capability is necessary to answer questions 3 and 4.

---

4We employ the term inventory in this report in the commonplace usage of the DoD to refer to the people in the workforce. For example, current inventory represents the number of people currently working in the organization described in terms of such characteristics as length of service, grade, occupation, etc.; future inventory represents the number of people expected to be working in the organization at a specified future time described in terms of such characteristics. An inventory (or workforce) projection model is an analytic tool for deriving an estimate of the future inventory based on the current inventory.
Question 1: What characteristics will we need?

Question 2: What critical characteristics do we have today?

Question 3: What critical characteristics will we have if we do nothing different?

Question 4: What actions will close the gap?
The process view—the third view presented in this report—operationalizes the blueprint. RAND proposes a four-step process any organization can use to focus the contributions of its key participants in conducting workforce planning. We designed this process for application at the business unit level. Figure S.2 outlines the four steps. We envision the process as a structured dialogue among the business unit’s senior leaders: its executives, line managers, community managers, and human resource managers. Executive and line manager participation is critical to steps 1 and 2; line, community, and human resource manager participation is critical to step 4. The process relies on comprehensive data and sophisticated models to ensure that participants can effectively accomplish steps 2 and 3.

---

**Figure S.2—A Four-Step Workforce Planning Process**

---

*Many organizations assign career development and other human resource–related responsibilities for individuals in specific occupational or professional groups to senior executives in the occupation or professional group. In addition, senior executives often oversee these types of responsibilities for individuals working in major functional areas (such as acquisition or finance). These *community managers* (or *functional community managers*) are expected to ensure that the workforce possesses the capabilities needed by business units.*
RECOMMENDATIONS

Importantly, an organization’s senior leaders control the three key factors that lead to successful workforce planning.

Active Executive and Line Participation. Business unit executives and line managers are uniquely positioned to assess how their business will be carried out and to identify the human capital capabilities needed to do so effectively. Leaders at levels above the business unit play different but important roles—in translating higher-level direction into clear guidance for line organizations, integrating the results of workforce planning across business units, and supporting the results of workforce planning at the lower levels. We recommend that senior leaders (above the business unit level) delineate explicitly the roles and responsibilities of executives involved throughout the organization in the workforce planning activity, and in particular, encourage and reward business unit executives and line managers for active participation in the workforce planning activity.

Accurate and Relevant Data. Data on workforce characteristics are the common language of workforce planning. Although many facets of workforce planning are best carried out by individual business units, the kind of data needed is similar throughout the organization (across business units). We recommend that the organization’s corporate headquarters lead the development of the functional specifications for a human resource information system to support workforce planning.

Sophisticated Workload and Inventory Projection Models. Insight into how the composition of the workforce may change over time informs human capital decisions. As with data, the kind of models needed to make such estimates may be similar throughout the organization. We recommend that the organization’s corporate headquarters evaluate the availability, costs, and benefits of comprehensive, integrated workload and inventory projection models for all categories of employees (including contractors, where contractor personnel are integrated with civil service employees).