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**Workforce Planning Across the Great
Divide**

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Workforce Planning Across the Great Divide

John Boudreau and Ian Ziskin

The future will require that Strategic Workforce Planning (SWP) define its questions at multiple levels, that it draw on disciplines well beyond its traditional expertise, and that it be prepared to accept that the HR profession may or may not be the primary leader in these significant issues. It may instead be the orchestra conductor charged with bringing together world-class capabilities to create a more integrated and harmonious set of solutions.

HR's reason for being is to make people and organizations more effective. This will not change in the future, but HR must work faster, with less bureaucracy and more business relevance. At the same time, we must also acknowledge that the bar keeps getting raised: HR is indeed improving and developing its capabilities, but the expectations about what HR can and should deliver are also getting bigger, in possibly unrealistic ways. In addition, the consequences of not delivering are also getting tougher and less forgiving.¹

SWP plays a vital role in meeting these challenges. Many of the chapters in this book attest to the current reality and future potential for SWP to provide sophisticated insights into the predicted supply and demand for talent, the anticipated risks and gaps that result, and the optimal investments to address them. Even today's most sophisticated SWP systems often focus solely on the workforce, using frameworks and tools that are largely in the domain of human resources management, and often provide the majority of their information about the HR function and its processes and activities. To be sure, information from strategy and business processes is used to extrapolate workforce demand and supply, and information is often gathered through econometric modeling to describe likely future trends in worker supply across regions and skill categories. This is important, but in this chapter, we want to draw attention to the untapped potential for SWP, and HR generally, to look beyond the boundary of the HR profession. The boundary of HR in the future will be far more permeable than it is today or has been in the past. This offers both significant challenges and opportunities for the profession and has placed SWP squarely as a key factor in its future evolution.

Perhaps most important, this broader lens on SWP requires that we view it as a strategic organizational capability, rather than as a functional discipline within HR. As we will argue, Strategic Workplace Planning, at its very best, is an amalgamation of capabilities drawn from multiple disciplines such as statistics, demographics, labor economics, geopolitics, anthropology, sociology, finance, marketing, supply chain management, communications, and HR. This construct places HR and SWP experts in the role of orchestra conductor, harmonizing different instruments that all play a vital part in the performance. It is time that SWP and the HR profession span the "great divide" that has long defined the boundary between HR and its context.

Multiple Levels and Multiple Constituents

While the future of HR will certainly be defined in part in terms of questions that exist within the domain of today's HR discipline, we increasingly find that the most significant and important

issues will require that HR professionals look beyond the traditional boundaries of their function. HR's future role and its effectiveness will typically be defined through multiple levels and in terms of issues and standards that will span multiple constituents.² Figure 1 portrays this idea graphically.

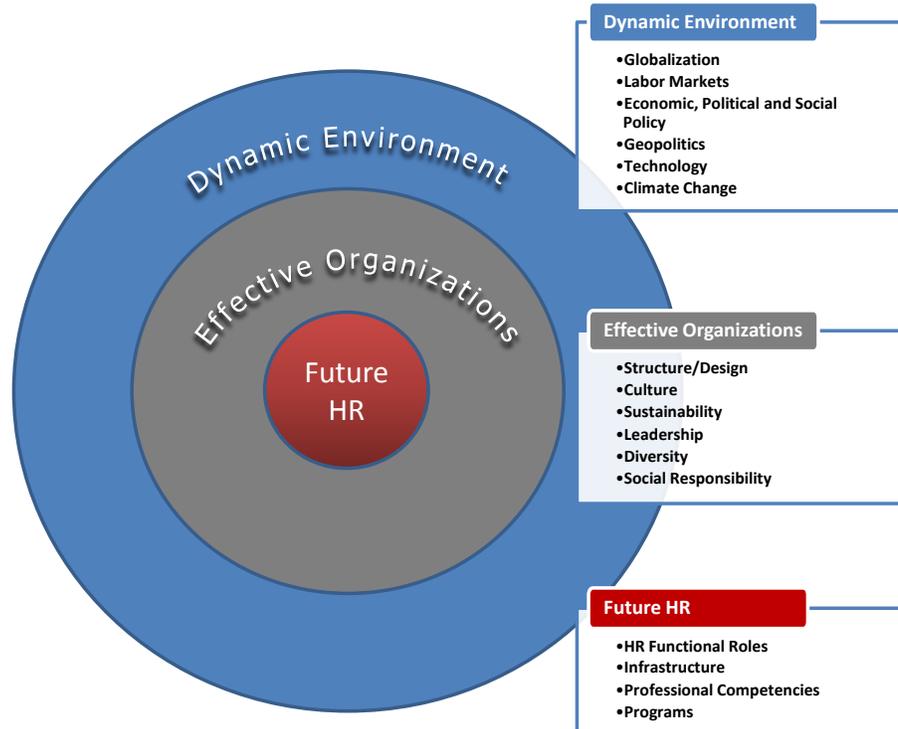


Figure 1. Multiple levels that define the future of HR. (From J. W. Boudreau and I. Ziskin, "The Future of HR and Effective Organizations," *Organizational Dynamics* 40 (2011): 255-267.)

The centermost circle, "Future HR," is meant to capture those issues that are primarily focused at the level of the HR function itself. Thus, this involves important questions about the design of HR functions, HR's professional roles and competencies, how HR uses infrastructure like information technology and process delivery systems, and the specific programs and practices that HR enacts. Much attention to HR and SWP has rightfully focused here. It is important to ensure that the HR function, its processes, its competencies, and its role are aligned with organizational strategy. Yet our view is that as important as such issues are, they must be embedded within a broader perspective to fully understand the challenges and opportunities facing the future of HR and SWP.

The middle circle, “Effective Organizations,” is meant to capture the reality that HR must exist and optimize its role within a surrounding organizational context. HR will influence and be influenced by organizational elements such as structure and design, culture, and leadership, as well as such organization-level issues as sustainability, diversity, and social responsibility. This reality has not been lost on those who study the profession and its future. Indeed, the HR profession is often centrally involved with—and even a primary driver of—organizational success in areas such as diversity and leadership. SWP increasingly incorporates outcomes related to diversity and has long attended to projecting the supply and demand of future leaders. That said, we and our colleagues at the Center for Effective Organizations often find that HR’s involvement and leadership in these organization-level issues varies considerably. The evolution of HR’s role in these areas will significantly define the evolution of the professional elements in the centermost circle.

For example, it is still common, though our experience suggests less so than in the past, for the functions of OD (organization effectiveness, design, and development) to be separate from the HR function. Indeed, it is not unusual to find professionals in the OD area who are quite insistent that they are not a part of HR, noting that they address more “strategic” issues of organization design and effectiveness, while HR addresses more tactical and administrative issues that support the strategy. It has been noted that such a stark separation can create serious and important limitations for organizations and for both the OD and the HR professions,³ and that OD competencies are vital for HR and vice versa.

For SWP, the question is how much the systems and frameworks draw upon and influence questions of organizational design and development. Are organizational structures, reporting relationships, informal networks, and social structures explicit parts of strategic workforce plans? Often, they are determined apart from the SWP process and serve as boundary conditions on the plan, as when the organization structure is taken as a given in projecting future workforce flows. The future will require that alternative formal and informal organization designs become an integral part of strategic workforce plans, not simply a boundary constraint.

In arenas such as social responsibility and sustainability, the evolution of SWP is even less advanced. We see many organizations where there are significant initiatives in these areas, but little presence of HR in formulating the agendas or implementing the key initiatives. Rather, the role of the HR profession seems to be more reactive, awaiting resolution of the thorny questions and then being ready to implement the requested HR programs and practices.⁴ That said, there is an upwelling of books and articles suggesting a more central role for HR in defining such issues and their strategic role in the organization.⁵ The implication is that SWP will increasingly be called upon to have deep and sophisticated points of view on these issues to answer questions like these:

When does diversity create innovation versus confusion?

How can we align the workforce to the right balance between financial, social, employment, and environmental considerations?

When do we risk the sustainability of our employment relationships by pushing too hard on our employees?

Where is the critical inflection point between buying and building talent?

Finally, the outer circle of Figure 1 reflects the “Dynamic Environment.” These are the trends and influences that will span organizations and affect entire industries, regions, and economies. Like the issues in the center circle, these broader environmental trends are sometimes a central concern of SWP, but more often they appear only in the broadest context statements and are not specifically a part of planning forecasts and scenarios. Perhaps more important will be the profession’s ability to pick its spots to engage on such issues. It is not yet clear that the HR profession must play a leadership role in such issues as climate change and geopolitics, but what is increasingly clear is that HR leaders must understand such trends well enough to help their organizations craft strategic responses. In this case, functions such as strategy and government relations might take the lead and then look to SWP to play more of an implementation role in defining the workforce characteristics necessary, forecasting supply and demand and crafting programs to create the necessary workforce.

Will SWP go beyond this implementation role? Often, these trends manifest themselves primarily through the employment relationship, and thus thrust HR and SWP into a central role. Global collective employment action is often the organization’s first tangible globalization challenge. Employment unrest or HR’s role in crisis management and evacuating employees and their families can often be the first challenges that require significant attention to geopolitics. Thorny issues of employee behavior in technologically enabled social networks and forums may often be the organization’s first tangible challenges that require a considered position on emerging technology and the power of social influence. So, the role of SWP in the outer circle of Figure 1 may be more prominent than many planners think and require answers to questions like these:

Where will political or economic unrest make us most vulnerable to work stoppages or labor shortages?

Where would a change in legislation about collective voice at work potentially constrain our flexibility or raise our employment costs?

Who are the key opinion leaders on climate change, and should we create roles for them within our organization to prepare us for future strategic opportunities and challenges?

For example, an item in the *New Yorker* magazine of May 16, 2011 described PepsiCo’s efforts to position itself to benefit from future demand for foods that are not only tasty but also healthy.⁶ For PepsiCo, traditional talent such as manufacturing, supply chain, marketing, and branding will of course be important for this or any strategy. However, the greatest improvement in PepsiCo’s future readiness to achieve this strategy will come from human capital that has never existed in the company before.

A key talent acquisition for PepsiCo was Derek Yach, PepsiCo’s director of global health policy. In 2002, as a leader at the World Health Organization (WHO), he drafted new dietary guidelines that were circulated among the member states of the United Nations. They were resisted by food industry and government leaders, and little progress was made. By 2006, Yach had left the WHO, and PepsiCo’s CEO, Indra Nooyi, asked him to join her company and “do exactly what you were doing at the WHO here at PepsiCo.” The pivotal talent for PepsiCo’s

future strategy lay in a job that had not existed before, and in a person, Yach, who might seem an unlikely member of a snack food leadership team.

As Figure 1 shows, the future of HR will be defined in large part by how well the HR profession spans boundaries that have in the past been unaddressed or seen as outside the domain of SWP. We must avoid the temptation of the comfort zone, where we focus solely on the HR function and its programs (the center circle) to solve gaps and problems at a broader level. Some of the most important defining elements of HR's future will reflect how the profession navigates the multilevel challenges of the future.

Implications of the Multilevel Perspective on the Future of SWP

The boundary-spanning perspective of Figure 1 suggests at least three implications for the HR profession and the role of SWP within it:

1. HR and SWP success will incorporate other disciplines.
2. HR and SWP success will rely on boundary-spanning.
3. HR and SWP success will require accepting diverse definitions of the role of HR and SWP.

Incorporating Other Disciplines

Challenges such as diversity, sustainability, and socioeconomic disparities require approaches that draw on disciplines well beyond the traditions of the HR profession. Traditional HR disciplines such as industrial and organizational psychology and labor economics are valuable, but increasingly we see HR organizations reaching beyond these traditional areas in an effort to address thorny but important challenges. Google employs analysts in its People Analytics (HR) organization with disciplinary backgrounds including operations, politics, and marketing.⁷

Human capital planning and strategy is increasingly carried out with the assistance of those with deep training in competitive strategy and scenario planning, whether they exist within the HR function or in a separate strategy group. We have long seen examples of HR process excellence being achieved with the involvement of operations management experts, or even by placing responsibility for HR processes within the operations management group itself.

The disciplines needed to take SWP systems to the next level may well reside outside traditional HR. When IBM's HR organization wished to design its talent management system using the logical principles of a supply chain, it engaged its top experts in operations management to assist and help lead the project.⁸ The employee value proposition and employer brand were defined using tools from the disciplines of consumer behavior and marketing. In some cases, those efforts are contained within marketing organizations with deep expertise in branding and consumer research. At Starbucks, Melissa Graves, an I/O psychologist, is the director of Partner Insights, which brings the best tools possible to questions about partners, stores, customers, and financials.⁹ Prasad Setty of Google and Juha Äkräs of Nokia are two additional examples of non-HR professionals who came into the function to become effective HR leaders.¹⁰

An understandable reaction from HR professionals might be that the HR profession is losing “turf” to other disciplines and is in danger of being hollowed out unless it reclaims areas such as strategy, branding, and process excellence—or worse, that HR leaders see incorporation of capabilities and disciplines external to HR as a sign of failure to adequately define and protect the boundaries of the HR profession. Yet perhaps the most successful future HR organizations will be those that accept the permeability of functional and disciplinary boundaries as holding the promise of a richer discipline, even if the HR functional boundaries are less clear.

For SWP, this means that the planning process and planning teams will include experts from functions such as operations, marketing and finance, statistics, demographics, labor economics, geopolitics, anthropology, and sociology, but not just for their ability to validate data on their workforce needs. Rather, future planning systems will actually reflect the logic, measurement approaches, and decision rules that those professions have long used to optimize other resources in the spirit of creating a true strategic organizational capability—not merely a function—SWP.

The answer is unlikely to be the same for all organizations. Sometimes this trend will mean expanding the role of HR, such as when HR’s effective handling of employment issues relating to communications and corporate social responsibility leads to giving HR leaders expanded responsibility for all these areas. In other organizations, it may mean that things like strategy, process excellence, and employment branding primarily reside in functions such as corporate strategy, operations, or marketing. The question in the future may be less about “What competencies must we in HR develop in order to address these multidisciplinary challenges within our own function?” and more about “What competencies exist among the best and brightest in any discipline that HR can skillfully draw upon to best address these challenges?” Think world-class orchestra conductor rather than world-class violinist.

The challenge for SWP is whether to adopt an open-systems approach that is capable of incorporating the best thinking from other disciplines, when such thinking may require radical changes in traditional planning approaches. For example, when IBM shifted its planning to a supply-chain framework, it meant requiring all businesses to adopt strictly compatible definitions of jobs and competencies, so that the supply chain of talent was commonly described and “visible” throughout the organization and across its boundaries.¹¹ This goes far beyond planning that projects headcount gaps based on existing work descriptions, and it may accept “blind spots” in units or regions that don’t join the common system. Is SWP prepared to analyze when the payoff from a common approach outweighs the desire for regional or unit customization?

Spanning Boundaries

Closely related to the idea of incorporating other disciplines is the idea that HR will increasingly need to span boundaries of all types to be effective. Certainly, boundaries between disciplines and functions will need to be more permeable, as noted above. However, HR will also likely need to span the boundary of the organization itself. Issues of sustainability often require considering organization designs that demand inter-organizational cooperation, resource sharing, and decisions.¹² One can foresee that such solutions will be necessary for virtually all of the issues shown in Figure 1.

The “collective” is increasingly defined without the necessity of an organization boundary. Disciplines such as marketing and research and development routinely draw ideas from the “crowd” around the organization, and they consider engaging that “crowd” to be as vital to their mission as engaging the employees within their organizations. Focus groups are widely employed to elicit opinions and feedback from customers (and potential customers) about a whole host of issues, including products, services, new product development, and advertising.¹³

The Mattel Imagination Center brings in children to play with, test, and comment on new toys not yet on the market.¹⁴ Emerging markets increasingly require engaging constituents such as NGOs, governments, local collectives, and others that may exist both within and outside the organization. Joint industry and regional efforts to address diminishing U.S. student interest and capability in science, technology, engineering, and math (STEM) is another vivid example of how HR and SWP leaders are collaborating across organizational and societal boundaries.

Can future SWP systems include in their forecasts the potential for social networks, online gaming communities, and customers to augment employees in accomplishing organizational goals? Can strategic workforce planners incorporate the trade-offs, costs, and benefits of make-or-buy decisions that include options that don’t even involve employment? For example, a recent article published in *Nature Structural & Molecular Biology* provided authorship to the Foldit Contenders Group and the Foldit Void Crushers Group, which were groups of online gamers playing a game called Foldit.¹⁵ In three weeks, the gamers solved a thorny retrovirus enzyme structure problem that had eluded scientists. This human capital is not firm-specific, let alone immobile, as the gamers are not even employed by a specific company. This goes beyond just forecasting and planning for the employees who will engage crowds, customers, and gamers. The thorny issues will be to decide when crowds, customers, and gamers can actually replace employees for certain key tasks.¹⁶

Expanding the Meaning of SWP and the HR Role

Traditional debates about the role of HR have focused largely on its capability to influence and affect organizational outcomes and its role in influencing constituents such as line leaders and employees. Discussions about roles like strategic partner, change catalyst, trusted adviser, employee advocate, and process architect remain important. Still, the discussion about such roles has been largely within the center circle of Figure 1. We envision a broader definition of HR that will more directly account for the white spaces that are created by the multilevel issues and approaches of the future. When is the role of HR to support the initiatives of other departments with strong traditional human capital programs and processes? When is the role of HR to be the “face” of the organization on significant issues such as sustainability and environmental responsibility? When is the role of HR to be the disciplinary expert on issues such as emerging social networks and harnessing the power of the crowd? When is the role of HR to provoke new ways of thinking and to surface and address unpopular truths?

For example, when Bill Conaty was at General Electric and wanted an executive to head up his new function of corporate responsibility in 2004, he reached out to Bob Corcoran, the head of GE’s learning center at Crotonville, New York.¹⁷ Bob soon found himself traveling the globe on projects such as bringing advanced healthcare to Ghana as part of GE’s Developing Health Globally initiative. GE had no business interests, offices, or facilities in Ghana at the

time.¹⁸ In his new role, would we say that Bob Corcoran is still in HR? Is corporate social responsibility still a separate function from HR? In the future, these questions will probably be less important than the questions of how HR leaders can best leverage their capabilities to make the biggest impact, regardless of the boundaries they must cross.

At Gap Inc., HR professionals take assignments directly working with business owners in emerging economies, helping those leaders apply the basics of motivation, performance assessment, training, and communication. These HR assignments cross the boundary between the HR function, the organization, and the economic context. Traditionally, the role of HR and workforce planning might be to anticipate and create the capabilities of those outside the profession who would eventually work with these business owners. Yet Gap put HR leaders in a direct position to carry out the boundary-spanning activity. It was the HR expertise on motivation, performance assessment, and other areas that was so vital to improving the performance of the vendors and eventually contributing to lower costs, higher quality, and better employment relationships for Gap.

What are the implications for SWP? The Gap and GE examples show how the skills of HR leaders may directly apply to solving important business issues. In the same way, the disciplines of SWP may come directly into play in these issues. SWP has long drawn upon expertise about values, attitudes, engagement, and identification with the organization. Consider the strategic issues facing today's organizations. They involve the values, attitudes, engagement, and identification of a vast array of stakeholders. Can expertise from SWP about how employee engagement affects performance and retention also reveal how the engagement of customers or political groups will affect their reaction to organizational activities or initiatives? Can expertise from SWP about how capabilities develop and flow within the organization's internal workforce be used to understand how capabilities develop and flow externally through online or local communities? Can expertise from SWP about how the composition of teams enhances or detracts from performance be used to understand how the organization should forge broader alliances?

In other words, the door can swing both ways. Not only can the boundary of SWP become more open to receiving outside expertise but the domain expertise that resides within SWP may well be essential to solving the broader strategic issues that organizations will face in the future.

Conclusion

In this chapter, we have purposefully tried to look outside the center circle of Figure 1 to emphasize how the future of HR and SWP will be defined and optimized through multiple levels, as well as at the value of looking beyond the HR function as the profession defines its future. Yet a significant purpose of SWP is to guide the activities, structure, and role of the HR function itself. How will that aspect of SWP change?

Today, the talent deliverable often refers to the processes that make up the talent lifecycle, such as sourcing, acquiring, deploying, engaging, and developing. In the future, this will be extended to include the quality of talent decisions made by leaders and others outside the HR function. Today, deliverables in the area of organization often focus on managing change from one organization design to the next. In the future, this will be extended to a capability to

thrive on constant change and a concept of organization design that is more about the relationships embodied in formal and informal networks than about formal structures or matrices. Today, deliverables in the area of culture often focus on broad aspirations such as “high performance,” “integrity,” or “innovation.” In the future, this culture deliverable will increasingly draw on anthropology, with a keen eye for myths, symbols, and unstated assumptions, and will accept the idea of multiple organization cultures, approaching culture as a way to embed unique and hard-to-copy capabilities in organizational values and routines. Today, deliverables in the area of leadership often focus on preparing and developing the top executive cadre. In the future, this leadership deliverable will increasingly focus on leadership at all levels and in many different roles, defining leadership not as a set of generic competencies or development experiences but as the collective capacity of individuals to embody and encourage sustainable values and dynamic change in whatever position they occupy.

HR competencies will evolve. The traditional array of competencies focused on the technical capability to design and implement HR programs. The capability to understand and mitigate risks in areas such as legal and contract compliance will remain important, but both HR and SWP will draw upon competencies that are seldom or never currently used. We already see an expansion of these competencies to include elements such as analytics, measurement, and project management. We foresee a future in which competencies in areas such as storytelling, education, and the logical frameworks used by other business disciplines (e.g., risk management, supply chain, and market segmentation) will become more prominent. As we noted earlier, these competencies may arrive not through the development of HR professionals per se but through the inflow of leaders from areas such as strategy, marketing, and communication—as SWP matures beyond an HR function or discipline and becomes a strategic organizational capability.

Indeed, future strategic workforce planners might well seek out coaching from orchestra conductors.

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