

# CAPTURING THE ESSENCE OF YOUR WORKFORCE STRATEGY

By Carol Bergeron and Anne Marie Messier

Winning organizations know that the best-laid business plans are useless without people who have the knowledge, skills, talent and motivation to drive organizational success. In today's fiercely competitive marketplace, it is not enough to have a compelling business model and well planned product development, manufacturing, sales and customer delivery strategies. A well designed and executed workforce strategy enables people to meet business goals and promotes organizational peak performance. Having a workforce strategy in place that is well connected to your business strategy is just as important in difficult economic times as it is in good ones.

The workforce or *talent* strategy is a clear, concise action plan, which outlines how you acquire, cultivate, retain and organize the talent needed to execute your business strategy. It describes the core knowledge, skills and behaviors required by the organization. Its goal is to ensure that the organization has the right people with the right skills at the right time, focused on the right goals. Whether your workforce strategy is designed for the entire company, division, department or work group, putting it into business context is a prerequisite for success. This article introduces the first few steps in developing an effective workforce strategy within the context of your business. Consider the following scenario:

*Maria was hired one year ago as the Human Resources Manager for a manufacturing firm. The firm has struggled to survive and the management team has been focused on layoffs and cutbacks. Employee confidence and morale have been battered and business results disappointing. Maria met with some senior managers and employees. Her impression was that employees felt underappreciated and*

*overworked. Meanwhile, the executives did not understand why employees were not putting in extra effort to get the business back on track. She also reviewed organizational performance metrics deemed important by the management team. Maria concluded that the biggest problems were declining sales, an increasing number of product returns and sagging profits. She focused her energies on redesigning the performance management system as a way to clarify targets and measure performance. She implemented a new variable pay plan for production workers designed to reward zero defect manufacturing. Finally, she assessed sales personnel and their skills resulting in the replacement of several long service sales people. After nine months, business results continued to decline. How could this be?*

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There may be a number of reasons why Maria's solutions did not work. Perhaps she misdiagnosed the problems or took initial feedback at face value. Maybe she did not speak

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with all of the key players. Did she dig deep enough to determine the root causes of disappointing business results? What she overlooked was that manufacturing work flows were in desperate need of re-design, some suppliers consistently provided defective materials and production workers had not been retrained on newer equipment. She underestimated the damage to customer relationships resulting from the recent layoff of long service sales people. The bottom line is Maria did not develop her solutions within a comprehensive business context. She shifted gears to re-educate herself on the business. She set out to better understand the interdependencies and the real root causes of the poor results before building a workforce strategy.

## **GUIDELINES FOR A WELL CONNECTED WORKFORCE STRATEGY**

Acquiring a deep understanding of the business and its interdependencies is the first objective toward aligning the workforce with business goals. This is the phase of “Collection and Discovery.” Keep it simple and identify what you need, where to find it, how to collect it, what you have learned, and your next steps.

### *What you need*

The purpose of “Collection and Discovery” is to confidently answer three fundamental questions. The three questions have been designed to capture the essence of your organization. The answers will help clarify your thinking when it comes time to select the talent initiatives expected to have the greatest impact on business results. Each question, once fully explored, should give you a clearer business context.

1. *What value does your organization deliver to its customers?*

Think about the reason your company is in business; its strategic purpose and direction. Identify what you are trying to achieve and what you are aspiring to become. Determine why your customers choose to do business with you rather than your competitors.

2. *What are the key business processes in which your organization must excel in order to deliver customer value? How do you measure the effectiveness of those key business processes?*

Define the core business processes that enable your organization to deliver customer value. Determine the measures of success for the key processes. Research how you have been performing against those measures.

3. *What value does your organization offer to its employees?*

Given the core business processes that enable you to deliver customer value, determine the kind of culture, work environment and underlying value system you need. Understand why employees join and stay with your firm.

It is important to recognize the relationship between the answers to the three questions. The customer value proposition drives the core business processes and they drive your talent needs. With this in mind, here are some tips on collecting the information.

### *Where to find it*

Strategic business plans, like workforce strategies, are dynamic. Customer and employee needs combined with marketplace pressures may prompt changes in business direction, as will new leaders with new perspectives. You will need to leverage several data sources to insure you are working with current realities.

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The more obvious statements about an organization's strategic direction and the value delivered to customers are found in documents such as quarterly and annual reports, press releases, marketing materials, web sites, speeches, published articles and customer survey results. Equally important are the internal communications such as organizational performance measures, presentations, company newsletters and employee survey results. In some organizations, typically larger ones, these documents are easily found. In other less structured firms the information may not be readily available and may need to be documented after conversing with important decision makers.

### *How to collect it*

Connecting with stakeholders to gather information can be rewarding yet it is not without its challenges. Stakeholders are key players who may influence your workforce strategy and those who are affected by it. They may include leaders at all levels, employees, customers and suppliers. After you have identified the stakeholders then make use of one-on-one conversations, focus groups, and informal surveys. Pick the forum(s) that works best for your organization.

You may be more successful in getting face time with key players if you commit to sharing your findings while asking for their time. Above all, follow through on the commitment! Prior to meeting with leaders, think carefully about the most effective ways to ask the three questions. What value does your organization deliver to its customers? What are the key business processes in which your organization must excel in order to deliver customer value? What value does your organization offer to its employees? During your conversations, ask open-ended questions and spontaneous ones so that you gain additional insights and maintain flow of the conversation.

Deep listening skills are critical to really hearing the insights provided by colleagues. Many of us have the tendency to allow our minds to wander or think about what we will say next when we

are presumably listening. In our fast paced society these tendencies are understandable though they impede our ability to hear important messages. Although it is important to take notes, it may be distracting. Ask for permission to tape the conversation or bring along a note taker.

#### *Companies with a Workforce Strategy Perform Better! Review the evidence.*

<http://www.watsonwyatt.com/research/featured/hci.asp> - Human Capital Index®: Human Capital as a Lead Indicator of Shareholder Value.

<http://www.rci.rutgers.edu/~huselid/papers.htm> - Articles by Professor Mark Huselid on Human Capital Architecture.

<http://www.crnnews.com/crn/crnhome.asp?sid=159> - Taking Stock of Human and Organizational Capital.

<http://www.greatplacetowork.com> - Authors of the 100 Best Companies to work for.

### *What you learn*

The collection process will lead to many discoveries. Take the time to review your findings. While you will benefit from confirming what you thought to be true, expect surprises. For instance, stakeholders may disagree on business direction, goals or the measures of success. They may have differences of opinion on the customer or employee value proposition. Highlight the areas of agreement and disagreement prior to sharing the results. Determine which disagreements are so significant that resolution is needed before moving forward.

Carefully blend your findings to capture themes and trends that answer the three critical questions. Share your findings with the very leaders you interacted with through one-on-one discussions or group meetings. Devise an action plan to resolve disagreements and create a common direction. This last step will allow you

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to ‘fine tune’ the data you have gathered. Further it will help you validate the foundation on which you choose to build talent initiatives designed to improve business results.

## NEXT STEPS

The purpose of this article has been to help you develop a business context for an aligned workforce strategy but the work does not stop there. Designing your strategy and prioritizing the specific initiatives you will undertake to support business goals requires several steps as briefly outlined below.

Through your discussions, distinctions between where the organization is and where it needs to be are the starting point of the next phase – the Gap Analysis. Identify the talent gaps by reviewing and seeing the connections between the business goals, the customer value proposition, core business processes and the state of your current talent pool and its capabilities. Target the most significant gaps that impede progress.

Begin to formulate ideas on how to fill the gaps. Some solutions may involve hiring new employees who possess skills lacking in the organization. Other solutions may involve developing existing employees. Be sure your recognition programs reward desired business results and behaviors. Finally, your retention initiatives should clearly define the talent you need and will work hard to keep. By default it may reveal talent at risk in the eventuality of layoffs.

## CONCLUSIONS

What value does your organization deliver to its customers? What are the key business processes in which your organization must excel in order to deliver customer value? What value does your organization offer to its employees? Answering the three fundamental questions will help you establish a firm foundation on which to ground your workforce strategy. Putting the workforce

strategy into business context by engaging stakeholders will elevate the importance of connecting employees to business goals. It helps you identify differences among key players that could be contributing to fragmentation and performance deficiencies. By jump-starting the buy-in process and building the bridge for shared solutions, and ultimately organizational success, you will reinforce your credibility as a strategic business leader.



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