

# Workforce Planning, Allocation and Forecasting

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*Workforce planning: Process of planning and using an organization’s workforce optimally, so that under and over utilization of team members is minimized.*

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## 1 Introduction

Workforce Management is the process of managing and using an organization's workforce in an optimal fashion. A typical goal is to maximize profits, and typical constraint is that workforce is not underutilized or over utilized. An organization's growth and ROI depends on the utilization of its workforce.

It is believed that human workforce is the most complex resource to manage, and therefore workforce management has been the core area of this research paper and is used as an example in this paper.

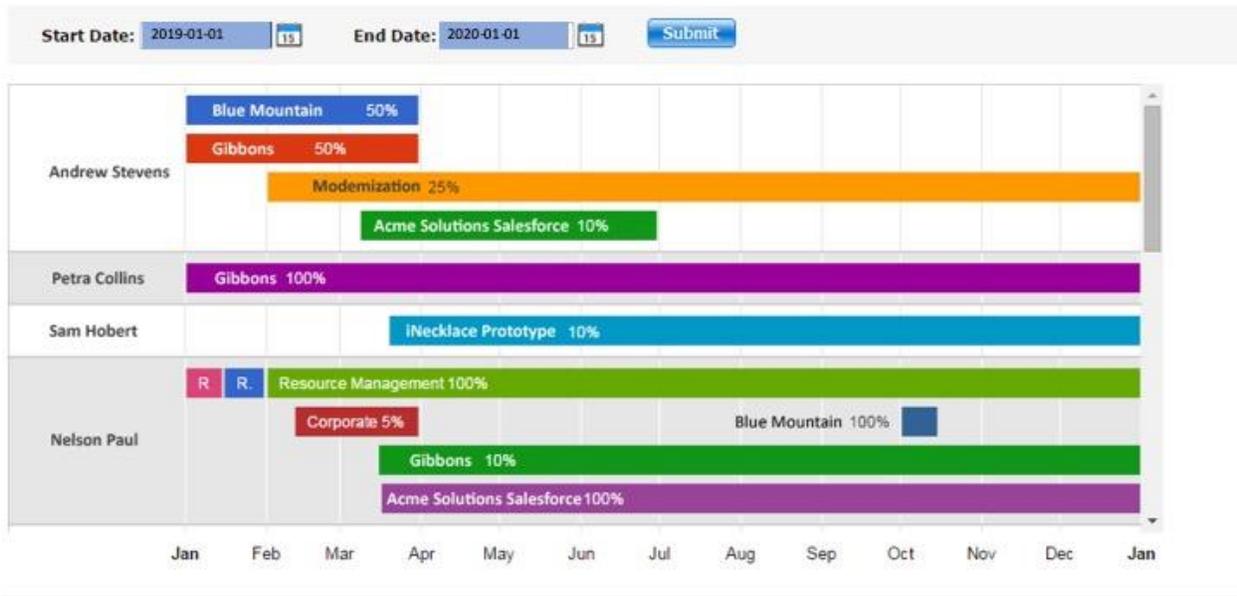
Whether the organization is IT or construction or research based, basic questions that most organizations have to explore before allocating the resources or the team members on a project are:

1. Do we have workforce within our organization with required specific competency and desired profile required for a newly win project?
2. If employees are available within the organization, can they be assigned to a new project or not?
3. If we have to hire new employees, what core competency set is required in them?
4. How many people should be hired?
5. Can newly hired employees be utilized in some other already ongoing projects once this project is over?

## 2 Challenges

The ever evolving business landscape indicates that the HR departments are no longer confined to recruitment, employee timesheets, trainings or employee engagement. There has been a [paradigm shift](#) happening towards making HR teams a strategic partner in decision making. Organizations with strong service verticals have recognized the need to invest in AI-enabled workforce planning systems. Read how selecting a [right HRMS is a multi-tiered value proposition](#).

## Users Project Assignment



### 3 Workforce Allocation and Forecasting

Workforce Allocation is a function of Project Start date, project end date; skill sets required, and percentage of involvement required.

In a simple case scenario an organization may have multiple projects running and those projects may not be sharing the workforce at all. A little more complex situation would be when the workforce are shared in some proportions and those numbers are published regularly so that someone can analyze the utilization numbers. But what would happen when the numbers of projects are huge and size is also humongous especially like federal projects involving more than 100's of team members. The dynamics of such projects are very difficult to manage manually. The project costs can sharply rise where the workforce are underutilized and actually very difficult to calculate who bears the losses.

Hence there is definitely a need to manage and forecast the workforce allocation. BizMerlinHR allows that a user can be allocated to one or more projects with different allocations in percentage and for different intervals of time. At the same time it can be analyzed which team member is already overcommitted or out of the users on bench which all can be used for a project based on competency matrix. The report that BizMerlinHR pulls out is absolutely amazing as it is possible to visualize a team member's present as well as past and future allocations to the same project on the same page. If a positive value is generated by calculating the staffing gaps report (which is the difference between planned and actual available workforce) a corresponding position can be opened and then [recruitment process](#) can be initiated for that position. Each interviewer can make the evaluations for the candidates and finally an offer can be made based on these assessments. So, BizMerlinHR provides a smooth and step by step process of planning and management. The following graphical representation makes it all the more clear.

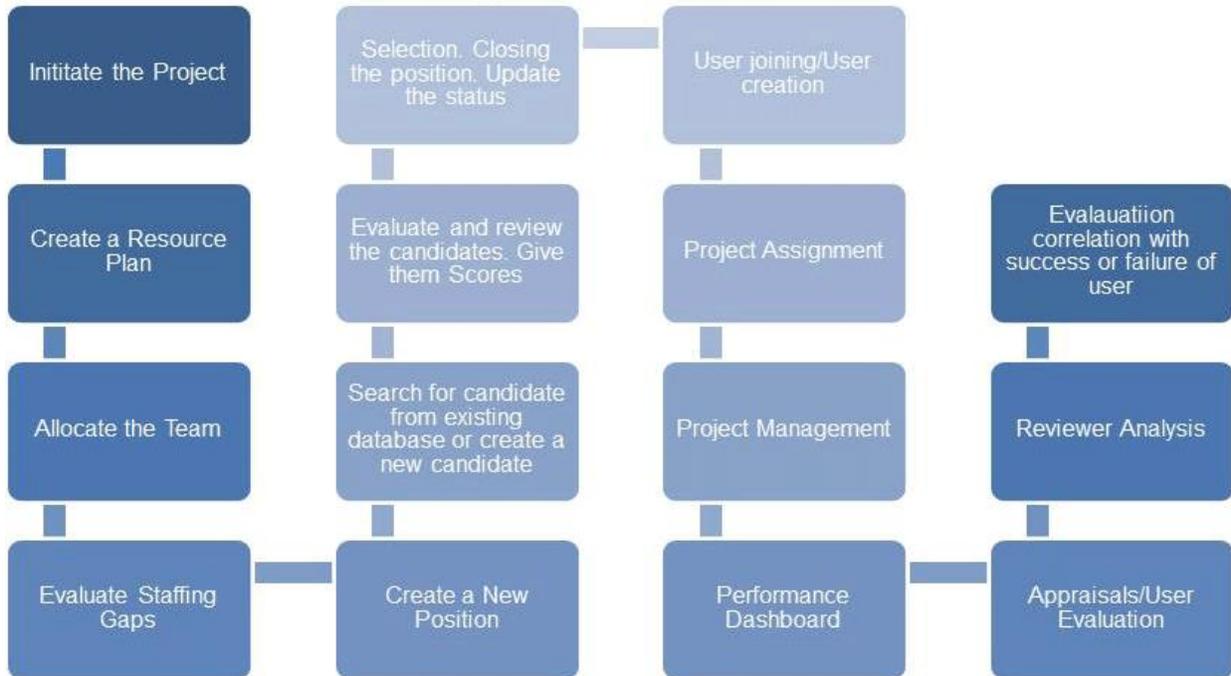


Figure 1: Workforce Planning Process

## 4 Major components of Workforce management process

### 4.1 Competency matrix and Competency management

**Competency matrix or Skill Matrix** is a visual tool to aid in the management, control & monitoring of skill levels of the organization's workforce. Well-implemented [skills management](#) should identify the skills that job roles require, the skills of individual employees, and any gap between the two.

Read: [Workforce Competency Auto Calculation](#)

**Skills management** is the practice of understanding, developing and deploying people and their skills.

BizMerlinHR displays all tasks and skills of each individual, specifying their requirement to work in an area or team thus enabling proper workforce planning by the project managers. *It can be also used to guide training programs and review project composition.*

### 4.2 Project team formation

A project team is a group of team members join together to accomplish some specific tasks that are related to that project. These team members may belong to different functional groups. For example in case of developing an ecommerce website we need programming developers, UI designers, QA personnel etc. Therefore, members from different functional areas work together to form a team for delivering the commitments.

### **4.3 Workforce planning**

A project's workforce plan contains the profiles of the workforce required, a count of each profile and the required begin and end dates. While creating a workforce plan it can be decided that how many users of a given profile type are required for a project and for what duration of time.

### **4.4 Actual team**

Actual team is the group of selected specific individuals (team members) for the project, along with their role in the project, reporting structure and their starting and end dates. You can add workforce in a team for different intervals of time i.e workforce can be added multiple times with different allocations for different time periods.

### **4.5 Staffing gaps**

Your organization may have too few staff (a gap or deficit) in some job categories to implement projects plans effectively. In order to create staffing strategies, you must first define the staffing gaps that are expected for a definite date. Staffing gaps reports may be generated for any date where you get the gap between your planned and actual workforce for a project. If you find there is any gap you can plan to open a position and then ultimately hire a candidate for a required profile.

## **5 Summary**

Workforce management is an important problem, one that almost every organization encounters. While every organization must identify their own most critical workforce and then define and manage the processes to manage those workforce, some best practices and frameworks can be well utilized in this endeavor. With BizMerlinHR's workforce management solution, organizations can address many important aspects of the problem, and accurately track important entities like projects, workforce, skills, positions, candidates, etc. By effectively managing these important data points, [BizMerlinHR](#) allows organizations to manage their workforce in the most optimal way possible.