UK Businesses Not Sufficiently Prepared for Future Workforce Challenges

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UK businesses are not planning how to manage and deploy human capital, according to a poll conducted by Corporate Research Forum, in conjunction with KPMG. Strategic Workforce Planning (SWP) includes taking actions to acquire, retain, develop, motivate and deploy human capital. Increasingly since the financial crisis, SWP has been utilised by businesses looking to improve performance and manage future challenges. However, this research indicates that there is substantial room for improvement.

The results of the research show that few businesses have comprehensive workforce strategies, with the majority taking a piecemeal approach to planning human capital. Only 15% of organisations polled said there is a clear link between their workforce planning and their overall strategic business plan, showing that where workforce plans exist, they often do so in isolation.

Organisations tend to react to workforce challenges, rather than plan for them. An alarming 47% of those surveyed said that recruitment forecasts for the next 12 months have not been undertaken in their organisations. This reluctance to identify workforce risks leads to poor succession planning, insufficient anticipation of recruitment needs and a lack of understanding of future skill requirements.

The research also reveals that HR departments aren't segmenting workforces thoroughly enough. This leads to taking a 'one size fits all' approach to assessment, management and appraisal, which can be detrimental to the long term performance of a business.

David Knight, Associate Partner at KPMG comments: "One of the biggest issues that business will face in the coming years is the management of human capital. Workforce planning is now seen as critical to sustaining performance and growth, and the responsibility for this lies not only with HR Directors, but with the wider executive team. Poor planning can make it difficult to adapt to changing market conditions, as well as retain talent in competitive industries. The ability to forecast skills requirements, pre-empt workforce risks and deploy resources efficiently will underpin financial success for organisations in future."

Mike Haffenden, from Corporate Research Forum's, comments: "In today's world of ever-increasing complexity, it is even more important to prepare for an uncertain future armed with a flexible plan, rather than simply reacting to unforeseen events. Adopting a strategic approach to workforce planning will leave organisations better prepared to deal with a dynamic and fast-changing environment."

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Notes to Editors:

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