



GUIDE: DEVELOPING AN EFFECTIVE PEOPLE STRATEGY



WHAT DOES GOOD LOOK LIKE?

A strategy is a set of informed choices which provides direction. A successful strategy inspires commitment and allows the organisation to respond quickly to customers and competitors enabling it to fulfil its goals and will assist an organisation achieve a sustainable position in its market.

Strategic people planning predicts the future HR management needs of your organisation after analysing the organisation's current human resources, the external labour market and the future people environment in which your organisation will be operating.

A good strategy:

- forces choice
- focuses effort
- balances continuity and change
- helps to integrate all the different parts of the people remit
- translates ideas into practical action.

Always remember your company strategy informs your people strategy

The company business strategy sets the agenda for:

- resourcing
- skills acquisition and development
- culture, values and attitude
- commitment
- productivity
- performance management
- rewards
- employee relations.

Your people strategy should 'fit' with the business strategy

It should:

- Ensure adequate human resources to meet the strategic goals and operational plans of your organisation - the right people, with the right skills, at the right time
- Keep up with social, economic, legislative and technological trends that impact on people management in your area and in the sector
- Remain flexible so that your organisation can manage change if the future is different than anticipated.

HR's strategic role is to:

- Ensure the organisation has the people it needs to execute its strategy
- Continually evaluate, build and strengthen its capacity to execute
- Help protect and ensure the value-creating potential of its talent.

THREE KEY QUESTIONS TO ASK YOURSELF FOR STRATEGIC PLANNING ARE:

1. Where are we going?
2. How will we develop people strategies to successfully get there, given the circumstances?
3. What skill sets do we need?

PREPARING THE PEOPLE STRATEGY

Step 1: Get the 'big picture'

Ensure you fully understand your business strategy

- Highlight the key driving forces of your business. What are they? Technology, distribution, competition, the markets, recovering from Covid-19 or lockdown
- What are the implications of the driving forces for the people side of your business?
- What is the fundamental people contribution to bottom line business performance?

Step 2: Develop a mission statement, which relates to the people side of your business

By this we mean, document the actual process of thinking through the issues in a formal and transparent manner

- What do your people contribute?

Step 3: Conduct a SWOT analysis of the organisation

Focus on the internal strengths and weaknesses of the people side of the business

- Consider the current skill and capability issues.

Research the external business and market environment

- Highlight the strengths, weakness opportunities and threats relating to the people side of the business
- What impact will / might they have on business performance?
- What are the skill shortages?
- What is the impact of new technology on staffing levels.

Step 4: Conduct a detailed people and culture analysis

Concentrate on the organisation's culture, organisation, people, HR systems

- Consider: Where you are now? Where do you want to be?
- What gaps exists between where you now are and where you want to be?

Step 5: Determine your critical people issues

Go back to the business strategy and examine it against your SWOT analysis

- Identify the critical people issues namely those people issues that you must address. Those that have a key impact on the delivery of your business strategy
- Prioritise the critical people issues. What will happen if you fail to address them?

Remember you are seeking to identify where you should be focusing your efforts and resources.

Step 6: Develop consequences and solutions

For each critical issue highlight the various options your managers can action. This is a key step not to be overlooked. Frequently individuals go straight to the obvious and the known rather than challenging existing assumptions. Examine the way things have been done in the past. Have they delivered the desired results? Also consider the consequences of taking the various courses of action you have identified.

Once you have worked through the process it should then be possible to translate the action plan into broad objectives. These will need to be broken down into the specialist HR processes such as:

Organisational development
employee training and development

- management development
- performance appraisal
- employee reward and recognition
- employee recruitment and selection
- workforce planning
- communication processes and systems.

Develop your action plan around the critical issues. Set targets and dates for the accomplishment of the key objectives.

Step 7 – Clearly define owners, roles, and responsibilities

- Clearly define the role of the HR leader in the organisation – be the designer, the architect, know their vision
- Define the change required in roles of people, management, their leaders
- Clearly define owners of the people strategy and the stakeholders
- Define who will execute the strategy, define the roles (generalists/specialists).

Step 8 - Agreement with the plan

Ensure that the Board and Senior leadership team agree with the strategic people plan. It may seem like a redundant step if everyone has been involved all the way along, but it's always good to get final confirmation.

Step 9 - Communication

Communication should include:

- How the plan ties to the organisation's overall strategic plan
- What changes in HR management policies, practices and activities will be made to support the strategic plan?
- How any changes in HR management will impact on staff including a timeframe if appropriate?
- How each individual member of staff can contribute to the plan
- How staff will be supported through any changes
- How the organisation will be different in the future.

Ensure that the actions are compliant with UK employment legislation and the constitution of the organisation.

Step 10 – Evaluation and ongoing review

People plans need to be updated on a regular basis. There's a need to establish the information necessary to evaluate the success of the new plan. Benchmarks need to be selected and measured over time to determine if the plan is successful in achieving the desired objectives.

A reminder of the 'Critical Success Factors' to consider

- Ensure HR is aligned with the business and activities link to business strategies and goals
- Your link to customer (internal & external) value
- Implementing incremental value-added change
- Tracking results and measuring successes.

What are the common pitfalls in people strategy?

- Overcomplicated strategy or too many competing objectives
- Failure to consider different scenarios the organisation may face
- Words or actions which don't inspire or convince
- Words or documents are vague, superficial, too generalised and/or without prioritisation
- Accompanying documents and presentations are too long
- Failure to communicate the desired future state
- Overpromising/failing to deliver
- There are errors, gaps or omissions.

EXAMPLES OF AREAS CONTAINED IN A STRATEGIC PEOPLE PLAN

Typical strategic people plans will include areas which focus upon:

- Improving the employee experience
- Diversity and inclusion
- Talent and retention
- Company culture and employee engagement
- Being an employer of choice
- Workforce and the future
- Creating a performance culture
- Focus on people development.

Together, we can explore world class standards for your people strategies, consider your training and development needs for the coming year and beyond, and provide expert advice and guidance along the way.

Contact us:

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to discuss how we can support you.

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