



How To Develop a Strategic HR Plan

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What is a strategic HR plan?

A Strategic HR Plan is a vehicle that describes and maps out how the HR function will support the organisation's vision, goals, strategies and plans from a resources perspective.

It details where the company is now and where it needs to get to thus identifying gaps in current and future HR capability, practices and activities.

Why should your company have a strategic HR plan?

Your people are your most valuable asset both in terms of contribution and cost!

They are the resource that ultimately delivers your company strategy.

Therefore you need to be sure that you have the right people, with the right skills, in the right place, at the right time to carry out your strategy.

A Strategic HR plan will ensure that you have:

- The right quantities of staff in the right areas
- The right quality of staff throughout your organisation
- Your staff appropriately trained and skilled for today as well as the future
- Succession and advancement plans in place
- Identified areas of resource risk and specialism
- An integrated recruitment and selection process
- HR practices are consistent across the organisation
- Skills development and training policies and practices are linked to strategy

Strategic HR plan and Strategic Business plan linkages

A business plan maps out the goals, missions, values and strategy and the HR strategic plan is developed afterwards.

Without a clear “What” from the business plan it is impossible to align your resources against this.

We are often called in to help HR and Training Manager's to put a Strategic HR Plan together only to find out the company does not have a business plan and strategy that they are working towards. This is pointless as it's like going on a car journey without knowing where the end destination is!

Sometimes we end up helping them with the business plan and hr plan!

TOP TIP - When you put your plan together make sure that it feeds from the business plan.

How do you put a plan together?

You should begin with the end in mind when putting a plan together.

That's why the business plan is so important for you!

Step 1

Identify future HR needs

Step 2

Consider present HR capability

Step 3

Identify gaps between the two

Step 4

Formulate HR strategies

Step 1

Identify future HR needs

Take the business plan and then ask yourself the following questions:

- What is the nature of our work?
- What type of culture will support productivity?
- What skills do we need to deliver results?
- Where are those skills and how are we tapping into them?
- How large is our organisation?
- What systems and processes do we need?
- How are we making sure peoples' skills match our needs?
- What risks are associated with this future?

Step 2

Consider present HR capability

Now consider the present situation.

You need to ask questions like:

- With the future in mind, what is our current capability?
- How are we doing against benchmarks?
- What are our strengths and weaknesses?
- Are there legislative requirements we need to consider?
- What are we doing well now, that we need to do more of in the future?
- Where do the risks lie?
- What HR issues may prevent us from getting to the future we have agreed on?
- What current systems will support or hinder our progress?

Step 3

Identify gaps between the two

Compare the future needs with the current capability and identify any significant gaps that appear.

These can be in a number of areas including policies and procedures, capability, resource allocation.

The questions to ask are:

Where are significant gaps between present and future?

How can they be classified?

Step 4

Formulate HR strategies

The next stage is about identifying strategies that will address the gaps you have identified.

These strategies will affect:

Job/work design

Selection/staffing

Performance management

Compensation/rewards

Training/development

Employee relations

Health and safety

Diversity

Not all gaps will be of the same strategic importance, so you will need to set some priorities for dealing with them. For example you may find an urgent need to update your HR information system so it provides you with information that is essential for tracking progress. While this may not appear strategic, you need this to be able to identify progress.

The questions to ask are:

What are the top priorities?

Where can we get some rapid progress?

How do these strategies fit with budgets?

What is the degree of change needed?

The last step is to develop the level of detail that will give you measurable goals and milestones.

What information do you need before you start?

You will need plenty of data to do this job thoroughly.

Take the time to gather as much relevant information as possible.

There are a variety of sources including:

- The strategic business plan
- An analysis of future work trends
- The existing HR plan
- Environmental data –information about the current HR situation in your industry and future trends in the sector
- An audit of existing HR policies and practices – what are your strengths and weaknesses in this area
- Current information on competencies across the organisation
- Policies and processes related to training and development
- Present risk factors
- Any customer or stakeholder data on the HR performance of the organisation.

In Summary

Having helped scores of businesses with their Strategic HR Plans we know that you really need to have a methodical approach with this task.

Having information at your fingertips is key and if you do not have it, know where to get it!

Many managers feel daunted about putting a plan together because it uses the famous "Strategic" buzzword! Please do not feel overwhelmed.

Take our lead from this document and work through it bit by bit – it will all come together and will not be long before your manager is singing your praises for thinking "Strategic" rather than getting bogged down with all of the "Tactical" fire fights you need to put out on a daily basis!

Well, that's easier said than done as you only have a certain amount of time!!

I hope this document helps you and **if you would like to see some actual Strategic HR Plans** please drop me an email at sean.mcpheat@mtdtraining.co.uk and I will send you a couple to look at.



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