Assessing Workforce Strength

In Accenture's 2015 U.S. College Graduate Employment Study, only 15% of the new graduates surveyed wanted to work for a large company. This is not surprising for, as pointed out in *How to Build a Nontraditional Career Path*, working in a conventional job is becoming less attractive when compared with nontraditional paths that are self-directed. So creating a strong workforce in a large organization is a challenge. What is the best way to approach this? We will look at the first step here, assessing the current level of workforce strength.

As described in *Building Workforce Strength,* workforce strength is the combination of knowledge, skills, practices, and shared values, embedded in the workforce, which enable an organization to deliver exceptional performance while adapting to constantly changing needs. This builds on the concept of organizational value, described in *Affiliation in the Workplace*, as the sum total of the organization's knowledge, capabilities, operating practices, connections inside and outside, how they fit together, and the ability to marshal these to meet constituencies' needs. Workforce strength matters because it benefits the many constituencies of organizations outlined in *Business Behaving Well*. Workforce strength benefits the shareholders or owners of for-profit entities through improved financial performance; it benefits sponsors of nonprofit entities in the ability to more effectively achieve mission and program objectives; it benefits employees in terms of the nature of the work environment and the potential for sharing in the organization's success; it benefits union partners in providing better working conditions for members; and it contributes significantly to community well-being through community members, suppliers, customers, and partners.

Let us examine workforce strength from the perspectives of capability and flexibility. As outlined in *Building Workforce Strength*, capability means having the skills needed to deliver services or make products better than others. This includes embedding these skills in systems that focus on providing exceptional outcomes for constituencies, whether internal or external. This, in turn, means creating a workforce environment that values contributions from all in the organization, built on a consensus about the right path forward.
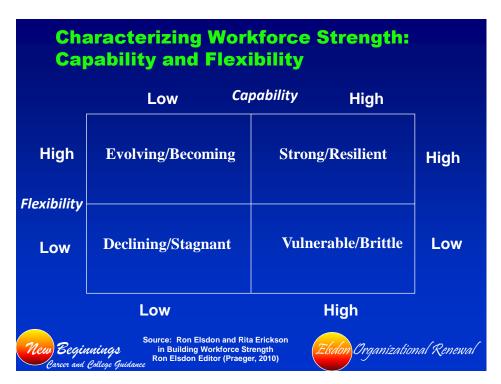
Workforce flexibility is the capacity of an organization to adjust capabilities and systems to changing needs. Here are some examples of flexibility:

• In healthcare, adjusting to the use of electronic medical records for rapidly sharing patient information by equipping doctors, nurses, and other primary healthcare providers with the ability to enter and access medical data directly, rather than relying on handwritten medical records

• In the world of technology, adjusting to business opportunities from evolving mobile platforms, increased processing speed, or emerging information delivery capabilities

Providing needed flexibility includes blending permanent and contingent staff to handle changing demand for services, for example evolving needs for nursing capacity in a healthcare organization. Flexibility also includes service or product providers working hand in hand with

educational institutions to equip people with requisite skills. It may mean organizations working together to match skill and learning needs to changing industry standards.

We can create a workforce capability/flexibility grid as shown in the following figure:

Characterizing Workforce Strength: Capability and Flexibility

	Capability	
	Low	**High**
High (Flexibility)	Evolving/Becoming	Strong/Resilient	**High**
Low	Declining/Stagnant	Vulnerable/Brittle	**Low**
	Low	**High**

Source: Ron Elsdon and Rita Erickson in Building Workforce Strength Ron Elsdon Editor (Praeger, 2010)

New Beginnings Career and College Guidance

Elsdon Organizational Renewal

The bottom left quadrant houses organizations with low workforce capability and limited flexibility. These are organizations in decline or stagnant; examples are those banks that made excessively risky loans because of a lack of understanding of evolving market dynamics. In the lower right quadrant are organizations that are vulnerable to changing conditions, having become strong in an area that is no longer needed as before. Their brittleness speaks to the challenge of changing with the needs of the market or environment. Some large, traditional U.S. retailers may fit here. In the upper left are evolving organizations with great flexibility but with the need to develop core capabilities. They are in a stage of becoming something greater. Many start-ups fit here, for example, Google in its early days when it was evolving its core search capability. In the upper right are strong, resilient organizations with both established capability and the ability to flex. DuPont, in the chemical industry, is one such example, able both to build workforce strength in depth in its core business areas and evolve business focus on a regular basis over its more than 200-year history. Organizations in the upper left and lower right quadrants can shift to the top right quadrant. Doing so means building either or both workforce capability and flexibility.

How can we assess a given organization's workforce capability and flexibility? Here are items to consider in such an assessment:

For capability:

- The extent to which the organization has the current capability to deliver superior products and/or services
- The effectiveness of processes used to assess and refine current capabilities
- The extent to which there is shared understanding within the organization about needed current capabilities
- How the development of individuals strengthens organizational capabilities
- The extent to which customers rate staff as among the best in the sector

For flexibility:

- The ability to adjust workforce structure and capability to address external changes
- How effectively internal systems identify future workforce needs
- The extent to which workforce change is driven by changing business needs
- How well recruiting and development practices address future capability needs
- The ability of the organization to use flexible employment approaches, such as contingent relationships, as needed

Such an assessment provides a basis for prioritizing workforce planning and development practices. It helps guide the focus of attention and resources, whether on strengthened capability, flexibility, or a combination of the two.

Parts of this article are drawn from *Building Workforce Strength: Creating Value through Workforce and Career Development* edited by Ron Elsdon (Praeger, 2010).