

What Is Workforce Forecasting?

Workforce forecasting is crucial to your company's future. Find out why it's important and how recruiters like IsoTalent can help build a stronger team.



How Can Workforce Forecasting Help Your Business Become More Efficient?

Businesses face extraordinary challenges in hiring and growth. With [millions of Americans leaving the workforce](#) every month, job openings sit unfilled. Having the right recruiter as an intermediary is more critical now than ever.

While workforce forecasting can help companies match employee talents to their trajectory for the future, recruitment plays a key role in bridging the gap between companies and the workers they need to hire. Explore what workforce forecasting can do for a business and how to create an effective strategy for your organization.

What Does Workforce Forecasting Accomplish?

Also referred to as workforce planning, workforce forecasting focuses on analyzing past performance data to help predict the future. It involves considering good and bad trends and evaluating how your employees factor into that data.

Forecasting also highlights your company's ability to transition from the present into the future with the right employees at the right time. It helps answer questions like:

- *Has your business veered off course because it has positions that must get filled?*

- *Do you need to evaluate a better use of your current staff?*
- *Would you be more likely to hit future targets by hiring new workers who can get you there?*
- *Do you need to rethink the organization of some of your departments?*
- *Would you benefit from downsizing one department to add new hires to another?*

Workforce forecasting allows you to reflect on your budget and identify gaps between your current workforce and the talent you'll need in the future.



Making the Connection Between Companies and Workers

In September 2022, the National Federation of Independent Business (NFIB) shared that [46% of small businesses](#) have positions they can't fill. Additionally, 89% of these businesses reported few or no applicants.

Interestingly, Harvard Business School's "Managing the Future of Work" identified an overlooked [workforce of 27 million people](#) aggressively seeking positions they're highly qualified to fill. Many of these businesses haven't learned how to build their presence online. There's a good chance the right candidates are out there, unable to find the right job.

Therefore, forecasting is vital to a company's survival. Its importance is one reason IsoTalent's mission is to [help businesses match their needs to the best new hires](#).

5 Stages of Planning in Workforce Forecasting

The US Office of Personnel Management created a framework for strategic workforce planning. It's split into five stages.



1. Set Strategic Direction

Setting your company's strategic direction involves aligning workforce forecasting with your overall business strategy.

2. Analyze the Workforce, Identify Skill Gaps, and Conduct Workforce Analysis

This stage requires analyzing your current talent and the structure and flow of your departments. You'll use that data to uncover and resolve misalignments to streamline workforce needs with company objectives.

3. Develop an Action Plan

Now, you'll track data on your workers, company structure, and prior performance, using the information to build an actionable plan based on your company's goals. Building a plan means:

- *Considering new hires*
- *Upgrading technology*
- *Planning to reorganize, if necessary*
- *Utilizing other necessary resources*

4. Implement Your Action Plan

You'll implement your strategy in the next phase by streamlining current department structures and putting new hires to work.

5. Monitor, Evaluate, and Revise

The last phase uses tools and resources to measure, analyze, and gauge your performance compared to projections. You'll adjust what's required to meet your target, whether better training, replacements, promotions, or department reorganizations.

The Five Steps of Workforce Forecasting

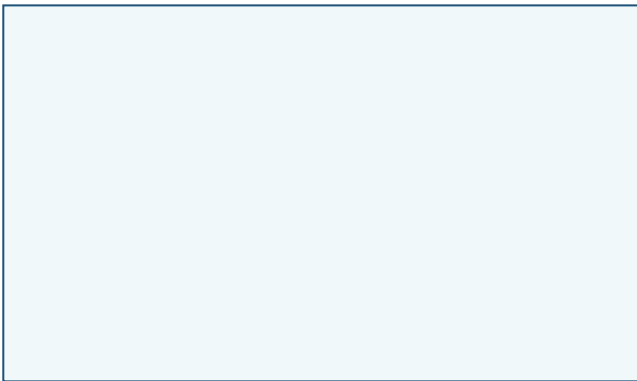
Whether your company is really struggling, or you just think it's time to shake things up, Workforce Forecasting can be a lifesaver when it comes to opening doors to new talent and new technology.

That said, business owners should be wary of making any major changes to their workforce without first analyzing their current structure and establishing a detailed plan for future hiring.

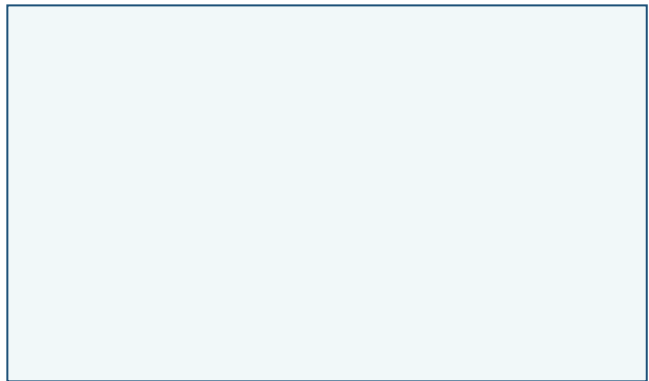
Step One: Setting a Strategic Direction

Before you start establishing and analyzing your workforce forecast, you'll want to make sure that your plan aligns with your business strategy more broadly.

Top Three Long-Term Goals of Your Company

A large, empty rectangular box with a thin blue border, intended for listing the top three long-term goals of the company.

Top Three Short-Term Goals of Your Company

A large, empty rectangular box with a thin blue border, intended for listing the top three short-term goals of the company.

Performance and Efficiency Check-In

RATE YOUR COMPANY ON THE FOLLOWING:

(Scale: 1—Very Disappointing, 2--Unsatisfactory, 3—Adequate, 4—Decent, 5—Excellent)

*For any Metrics that don't apply to your company, simple write N/A

1. Profits
2. Recurring Revenue
3. Return On Investments
4. Productivity + Efficiency
5. Daily Traffic (in-store or online)
6. Customer Feedback
7. Sales Performance
8. Number of Qualified Leads
9. Employee Satisfaction
10. Turnover

Major Areas of Improvement Based on Results



Step Two: Analyzing your Workforce and Identifying Skill Gaps

This step will require managers and higher-ups to closely analyze the company's existing workforce, as well as examine workflow structures, and determine what's missing in terms of talent and skill sets.

List of All Major Departments at Your Company

Department Name	Department Manager	Department Size
1. Finance 2. Marketing 3. Development 4. Human Resources 5. Technology 6. Etc.		

Evaluation of Each Department (from the top)

(Rating Rubric: 1—Very Disappointing, 2—Unsatisfactory, 3—Adequate, 4—Decent, 5—Excellent)

1. Efficiency/Productivity 2. Problem Solving 3. Willingness and Ability to Work with Other Departments 4. Turnover Rates
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Evaluation of Each Department (from department managers)

(Rating Rubric: 1—Very Disappointing, 2—Unsatisfactory, 3—Adequate, 4—Decent, 5—Excellent)

1. Efficiency/Productivity 2. Problem Solving 3. Willingness and Ability to Work with Other Departments 4. Turnover Rates
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Bonus Questions for Managers

1. How many open positions are there currently in your department?
2. Do you feel you generally have the number of people required for your department to be successful and to run smoothly? If not, please elaborate.
3. Are there any specific skill gaps or outdated technologies that you are aware of within your department currently? If so, please elaborate.

Step Three: Developing an Action Plan

Based on the results from your analyses in step one and two, it's now time to track the data and use the information to establish an action plan based on your company's short-term and long-term goals.

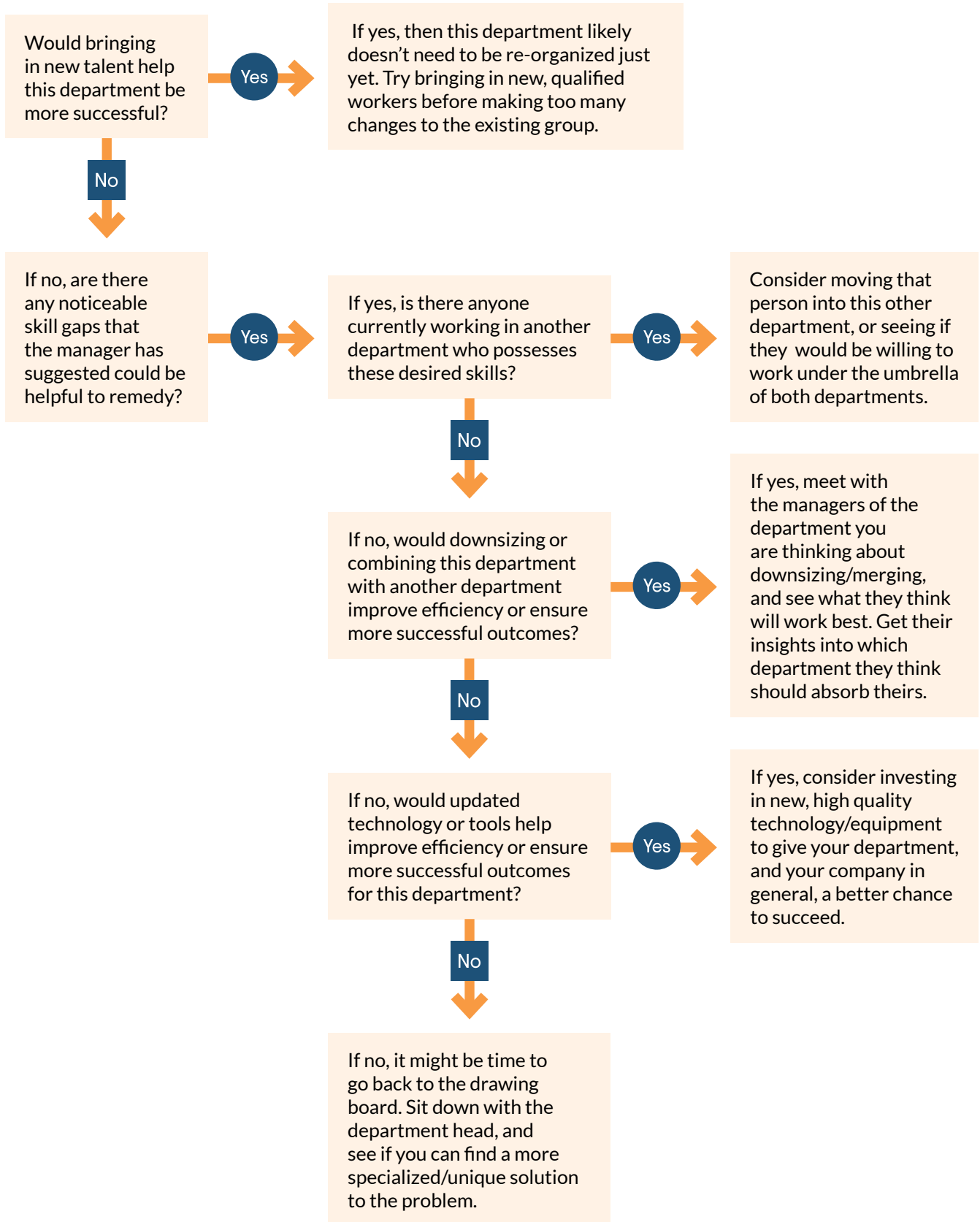
Departments That Need New Hires + Desired Skills/Expertise

Departments	Number of Open Positions/ New Hires Needed	Specific Skills, knowledge, or expertise needed



Department Reorganization Flow Chart

If you're not sure what to do with a department that isn't necessarily performing at its peak, or operating as efficiently as it could, try going through this flow chart.



Basic Outline of a Hiring Plan

Step 1: Generate a list of specific skills and expertise the right candidate should possess

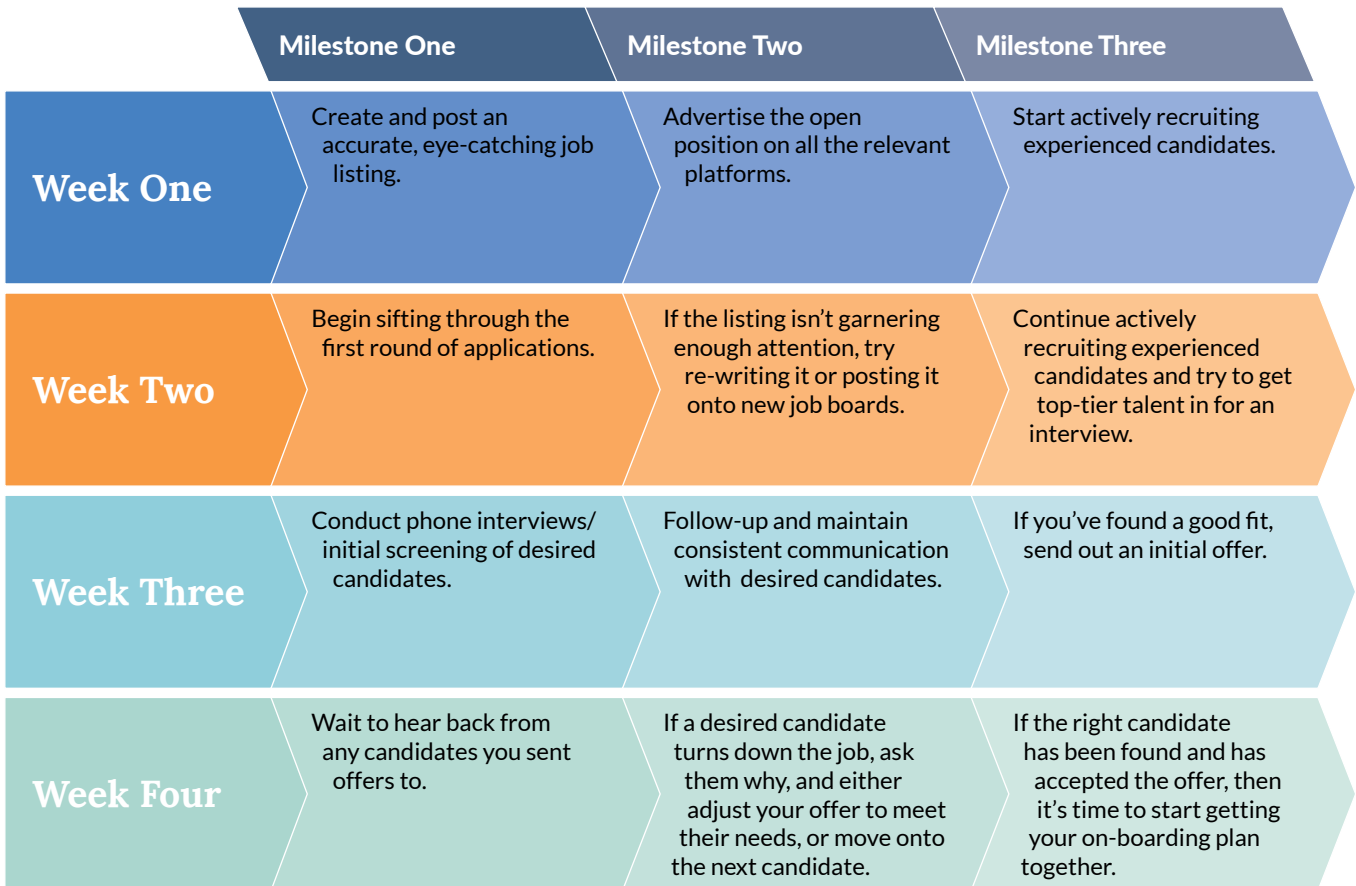
Skills/Expertise:

Step 2: Determine who will spearhead the process

This is where you decide who is in charge of finding and recruiting the best new hires, and determine whether or not it would be advantageous to use a third-party recruitment firm.

Step 3: Create a schedule with specific milestones using the template below

Keep in mind, if you decide to use a recruitment firm to fill your open positions, they will take care of nearly every one of these milestones for you.



Basic Outline of a Hiring Plan

Your onboarding schedule should be broken down into a 30-60-90 day structure. You need to set clear, monthly goals for the hiring managers, department heads, and the new hires, as well as conduct regular check-ins.

For a more detailed online of the 30-60-90 day plan, check out our onboarding ebook and downloadable workbook.

In the meantime, here's a checklist of to get you started:

First 30 Days

List of Pre-onboarding goals for manager

List of Goals/Project Milestones New Hire Must Complete in First 30 Days

List of questions you want to ask at 30-day check-in with the new hire

First 60 Days

Outline major and minor projects, indicate which projects the new hire will be working on independently, and which projects they will still work on as a team.

Make sure to address any problems that may arise in the first two months.

- If you're not sure where to start establishing or addressing issues regarding your new hire, check out the problem solving guide in our onboarding workbook.

Conduct 60-day check-ins with:

New Hire

Managers

Colleagues working closely with the new hire

First 90 Days

Establish whether or not the new hire has reached the goals you set for them when they first started working for the company.

Goal One:

Successful? (Yes No)

Goal Two:

Successful? (Yes No)

Etc.

Conduct a 90-day check-in meeting.

Praise New Hire for specific achievements from their first 3 months.

Address the areas where you think the new hire still has room to grow.

Step Four: Implementing Your Action Plan

Now that you've hired new talent, invested in new technology, and/or determined areas in which your department structures should be reorganized, it's time to put this strategy into action. Here are some outlines, checklists, and tips to help you stay organized throughout this process.

Outline for Implementation of New Technology

	Key Tasks	Key Communications	Key Evaluations
Phase One	<ol style="list-style-type: none"> 1. Research and Purchase New Tech. 2. Establish a point person for the implementation process and have them build their team. 3. Establish a tentative end-date, to help keep the team on track. If they have other duties/priorities that might conflict with this timeline, either relieve them of those duties or bring in more team members. 	<ol style="list-style-type: none"> 1. Inform ALL employees about the changes in technology. 2. Provide everyone with the project timeline, so they know when to expect what. 3. Make it clear who is in charge of the implementation and where employees should direct their questions and concerns. 	<ol style="list-style-type: none"> 1. Consider sending a survey out to gauge how the company feels about these changes, and to try to get ahead of any major questions/concerns.
Phase Two	<ol style="list-style-type: none"> 1. Begin phasing out the old technology and introducing the upgrades. 	<ol style="list-style-type: none"> 1. Hold regular meetings focused specifically on the implementation of the new technology. 2. Send out email summaries of the meetings for those who cannot attend. 	<ol style="list-style-type: none"> 1. Have a check-in meeting with the point person and their team. 2. Request regular progress reports.
Phase Three	<ol style="list-style-type: none"> 1. Make sure any pertinent data saved using the old tech can be exported over to the new system. 2. Stop using the old technology all together. 	<ol style="list-style-type: none"> 1. Give advance warning before ditching the old tech for good. 2. Hold another information meeting + send out summary emails. 3. Be patient and make sure your employees know they won't be penalized for any troubles they have while switching over to the new tech. 	<ol style="list-style-type: none"> 1. Conduct another check-in with the point person and team. 2. Address any problems that may arise.
Phase Four	<ol style="list-style-type: none"> 1. Continue to offer support to any employees still having issues with the new technology. 2. Create a guide based on this experience, so that you can more easily introduce this new tech to other departments, and/or introduce entirely new tech company-wide in the future. 	<ol style="list-style-type: none"> 1. Make sure your employees know how much you appreciate their patience during the switch. 2. Praise the IT team for their hard work. 3. Perhaps celebrate the conclusion of this project with food or small bonuses. 	<ol style="list-style-type: none"> 1. After giving everyone a few months to get used to the new tech, evaluate whether or not it has improved efficiency/productivity and how.

Plan for Merging Two Departments

Before announcing that you're going to be merging or downsizing any departments, have a plan ready to go, and identify what parties will be the most affected by these changes.

Skills/Expertise:

Ensure the message is clear and that employees understand why their department is being downsized or absorbed. Provide concrete information regarding why the company has decided this is the best way to move forward.

Skills/Expertise:

Post-Announcement Checklist

Communicate to everyone in both departments what they can expect from the coming changes.

Address any concerns they may have before the merging process begins, and be upfront when it comes to things like potential downsizing and layoffs.

Share your detailed schedule or roadmap for the merging process with all employees who will be affected.

Establish what direction the flow of communication should go (i.e. who is in charge of the new teams, who employees should direct their questions to, etc.)

Conduct regular check-ins with team leaders and employees.

Three Things to Consider During Hiring + Onboarding Process

1. Stay organized and respond to potential candidates in a timely manner. One of the quickest ways to lose a talented candidate is to appear disorganized or unavailable.
2. Be flexible when it comes to what you offer potential candidates, remote/hybrid options are very popular these days.
3. Be patient with new hires, and make yourself available to them every step of the way.



Step Five: Monitoring, Evaluating, and Revising

Now that you're at least three months into your workforce forecasting plan, it's time to take a look back at all the progress your company has made, and see if there are any areas still left to improve upon.

Analyze Company Using the Same Metrics as Step One

Success Rate of Long-Term Goals:

Goal One:

Successful? (Yes No Somewhat)

Goal Two:

Successful? (Yes No Somewhat)

Goal Three:

Successful? (Yes No Somewhat)

Success Rate of Short-Term Goals:

Goal One:

Successful? (Yes No Somewhat)

Goal Two:

Successful? (Yes No Somewhat)

Goal Three:

Successful? (Yes No Somewhat)



Company-Wide Evaluation

RE-EVALUATE THE COMPANY IN REGARDS TO THE FOLLOWING METRICS.

(Scale: 1—Very Disappointing, 2--Unsatisfactory, 3—Adequate, 4—Decent, 5—Excellent)

*For any Metrics that don't apply to your company, simple write N/A

1. Profits/Revenue
2. Recurring Revenue
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Important Questions for Managers/Department Heads

1. How do you think the changes we've made to the workforce have improved the company's overall efficiency?
2. Have these changes helped you and your teams achieve their long and short term goals?
3. Are there any remaining skill gaps or outdated technologies that you would like to see addressed?
4. What do you think we can improve upon in regards to our workforce forecasting in the future?
5. How would you rate our evaluation process on a scale from one to five?
6. How would you rate our hiring and onboarding process?
7. How would you rate our technology implementation process?

Based on the results from these final analyses, be prepared to address any remaining problems, and remember to give positive feedback to everyone who made these changes possible!



What Is the Role of Workforce Forecasting in Recruitment?

According to a report from the American Productivity & Quality Center (APQC), [46% of organizations felt their planning had become less effective](#) when attempting to combine workforce planning and business planning. Data-driven recruitment is the key to your success.

IsoTalent works with businesses and their data to act as an intermediary between your company's vacant positions and the ideal candidates to fill them. The more data your forecasting reveals about where you are and need to be, the better we can integrate it into that process.

We also provide [extensive resources](#) to simplify the recruitment process. Whether you're looking for entry-level placements, people with highly specialized technical skills, or new executive leadership, we're here to make it happen.

Using your forecasting data, we pair your business with recruiters who will find the right hires to achieve your goals. With recruitment at the heart of the workforce forecasting process, IsoTalent devises a hiring strategy that matches the right prospects to your current and future needs.

Forecast the Future with Data-Driven Recruitment

We help with proactive hiring—filling positions that grow with your future plans. Our experienced recruiters also strive to identify knowledge and skill gaps in your company when hiring.

We aim to help you build a culture of excellence while [saving you thousands of dollars](#) in the recruitment process—all with zero commission and low hourly rates.

[Get in touch](#) with us today to discover what IsoTalent can do for your business!



