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How to solve workforce planning – before you become the next Ryanair

23 Oct 2017 [By Jo Faragher](#) (/jo-faragher)

Disaster is never far away if you get scheduling wrong – as the low-cost airline discovered



To say budget airline Ryanair hit some turbulence lately would be an understatement. In mid-September, the company cancelled up to 50 flights per day, and then dropped a further 18,000 at the end of the month.

The reason was surprisingly rudimentary. Ryanair had failed to plan for its pilots' holidays, meaning there simply weren't enough to fly the planes. It offered a bonus payment to entice pilots to change their leave, and outspoken boss Michael O'Leary even penned a letter of apology to employees promising better terms and conditions and "improved rostering" – but thousands of passengers were forced to

change their plans and many pilots jumped ship to other airlines. And it wasn't just a PR disaster: £320m was wiped off Ryanair's stock market value after it emerged the company had known about its staffing issues months before it cancelled the flights.

Clearly, other factors complicated the picture – many of the pilots work as self-employed contractors, there are rules governing how long they can fly and Ryanair had reportedly changed its holiday year dates – but the debacle does illustrate how something as apparently simple as shift planning can have disastrous consequences if it goes wrong.

“Historically, manpower planning was considered more important as a skill – perhaps it has gone out of fashion and we no longer give it due attention?” asks Dr Elizabeth Houldsworth, associate professor of human resource management at Henley Business School. She has a point: many employers have moved from operating a few standard shift patterns to dealing with something far more unwieldy.

In retail, for example, shops that used to close on a Sunday now operate a 24/7 online empire or open late into the evening, while other businesses work across borders and time zones, with a tapestry of zero-hours contractors, homeworkers and contingent staff on top of their permanent workforce. Have HR's workforce planning skills stepped up to meet this challenge?

Esther O'Halloran, a former HR director and MD in the hospitality industry who now works as a consultant, believes Ryanair's biggest mistake was its failing to undertake scenario planning. “It failed to consider the impact of changing the holiday year,” she says. “It should have been a simple calculation of how much holiday pilots had left to take, and they could have looked at cover. Workforce planning is an essential skill but a lot of HR professionals worry about it because they think it's all spreadsheets.”

Angel Hoover, practice leader in talent management at Willis Towers Watson, argues that it's only really businesses that are used to swings in workforce demand that have truly got to grips with it. “The concept of workforce planning has been around a long time. Energy and utility companies have always had to plan for demand, as have organisations with a seasonal workforce,” she says. “Now the world of work has changed – there are lots of forms of alternative employment – so that dynamic is no longer just seasonal, it's constant. You need to analyse data to ensure you have the right talent through the door at the time you need it.”

The challenge of getting workforce planning right is two-pronged: on the one hand, line managers and HR have to meet immediate need or react to unexpected busy periods; on the other, they have to keep an eye on recruiting and retaining enough people with the right skills to ensure that needs are met months and years down the line.

The social care sector is a prime example; providers face cuts from local authorities and struggle to attract care workers, while individuals' care needs change all the time so it's difficult to predict when and where staff will be required. Consultancy JLL recently estimated that over the next 10 years, 485,000 more staff will be required in the sector.

“In a care home you need people 24 hours, so we're seeing an increase in zero-hours contracts, and agency usage will always be there,” says Eamonn Meadows, associate director at JLL. “It's fine to have people on flexible contracts as long as they are aware when their shifts are – agreeing shift patterns well in advance so people can plan around children, study or whatever, does help.” Robust systems can also enable employers to cope more successfully with short-notice changes to staff availability; for instance, if one nurse calls in sick and another has a family emergency.

But the benefits of getting workforce planning right go further. Chris McCullough, CEO of scheduling software firm Rotageek, started his career as an NHS doctor when scheduling was still very much paper-based. He left A&E to develop a programme to digitise scheduling for NHS trusts that is now available to other sectors. “You'd think businesses would be more advanced with this than they are,” he says. “It's so important for operational efficiency but also for engaging staff, so that they can manage their work-life balance.”

In common with its competitors, Rotageek uses an algorithm that can compute multiple factors such as individual shift preferences, ‘leave liability’ (how much holiday staff still have to take), typical customer demand and even the weather to draw up optimum shift patterns. “It's completely possible mathematically to incorporate all of these things and get it right,” McCullough insists, pointing out that millennials increasingly want a say on their working patterns rather than being told where they have to be. “Effective scheduling is a win for the business, a win for staff because they have more control, and it's better for customers because they get what they want from the business.”

Technology has certainly moved on as staffing needs have become more complex, but is there a temptation to rely on these systems to do the work for HR? “Getting scheduling right is not as straightforward as simply getting a system to do it. It takes the HR skillset to another level,” argues Jonathan Richards, CEO of cloud HR software company BreatheHR. “You need to separate the admin part from the real magic – the people-to-people piece. If you don't, there can be confusion. Add this to conflict and it will blow up, as it did at Ryanair.”

McCullough agrees: “There always has to be a person at the end of this. Technology could automate scheduling to the point where you're ridiculously efficient but the working environment is not very nice. You want to get to the point where it's good for business and great for staff.”

There's a role here too for organisational development (OD) in helping HR to get smarter about job design, task allocation and resourcing. “OD sees this from the other side of the mirror,” says Paul Taylor, assistant director of OD at NHS Employers. “If you're looking at complex change, it's emergent, unpredictable and you can't control it. We need workforce planners, but sometimes we can't predict what will happen.” He argues there are two faces to effective workforce planning: “Robust plans based on solid data, and the ability to improvise and be responsive if things are shifting.”

OD practitioners can help workforce planners see this bigger picture and bring everything together. “Many trusts are expanding and extending roles to ensure staff have a skills mix that is transferable, so they’re more adaptable while retaining their specialisms,” he adds. NHS Employers is also working with training providers in the NHS to ensure they build soft skills such as resilience, so staff are better able to cope with change and can adapt to more fluid role requirements.

Hoover agrees that rigid job descriptions are part of the problem, because they were designed for a more traditional workforce with set hours and a less changeable landscape: “When you’re designing a job description, what are you looking for? Someone to apply a skill to a particular problem or to fill a job? Do you need someone to be there 100 per cent of the time or someone who can do a particular type of work for a specific project? We need something more like a work description than a job description – it won’t work for every job, but we will see more of this moving forward.” As many roles become automated, she adds, it will be increasingly important to break down tasks and plan for jobs in different ways.

Getting workforce planning right could become a differentiator as employers move towards a more gig economy-style model, too; organisations that can guarantee hours or offer significant notice to occasional workers are likely to be perceived as more attractive and will therefore retain talent. McCullough says: “The gig economy is being driven by people who want to work in a flexible way. Established businesses now need to create an internal gig economy where skills meet fluctuating customer demand.”

For example, PwC’s internal platform, Talent Link, is a database of 20,000 employees’ skills, including both junior staff on short-term contracts and a network of more senior individuals who are contracted to work for a minimum number of days per year, giving managers a head start and great flexibility when positions open up.

As technology becomes cheaper and more accessible, it won’t be long before we’re seeing smaller employers turning to algorithms and apps to solve scheduling problems. “We’re at a stage where an algorithm can take into account people’s shift preferences, their availability and how much leave they have left and compute all of this in seconds,” says McCullough. Armed with the data, it’s then up to managers to make decisions.

And while scheduling may never gain a reputation as the most exciting element of HR, it remains crucial, says Houldsworth: “There’s a lot of focus on recruitment and attraction, but workforce planning is a key part of that and a skill we’ve allowed to decline.”

Taylor goes so far as to call NHS workforce planners the “unsung heroes of the service”, arguing they should be seen as integral to the strategic planning of each organisation, rather than as an administrative function. It’s also worth remembering that workforce planning can’t stand in isolation – at Ryanair, failing to plan for a backlog of leave might not have proven so catastrophic if it had got its staff engagement or long-term recruitment plans right. In the meantime, its reputation as an employer may fail to fly for some time.

For more information on workforce planning, read the [CIPD Factsheet \(https://www.cipd.co.uk/knowledge/strategy/organisational-development/workforce-planning-factsheet\)](https://www.cipd.co.uk/knowledge/strategy/organisational-development/workforce-planning-factsheet) or attend the [CIPD’s two-day course \(http://shop.cipd.co.uk/shop/cipd-training/courses-qualifications/human-resources/resources-recruitment-talent/workforce-planning\)](http://shop.cipd.co.uk/shop/cipd-training/courses-qualifications/human-resources/resources-recruitment-talent/workforce-planning)



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