

LMI 101: Putting LMI to work in strategic planning

Putting LMI to work in strategic planning is one of three LMI 101 guides available for download from the HR Council at hrcouncil.ca

Also available:

- Putting LMI to work in HR management
- Key concepts

What is LMI?

Simply put, labour market information is any information that assists in making a labour market decision (Advisory Panel on Labour Market Information, 2009). As such, it has a key role to play in helping the labour market to function as smoothly as possible. LMI includes a variety of data types, including general information on current trends in the labour force, national statistics, historical data on economic conditions, and projections of future employment needs and trends for Canada as a whole and for specific regions and local areas. The data are targeted at a variety of audiences, including governments, regional economic development organizations, employers and managers, and current and future workers.

LMI can help to clarify the meaning and significance of labour market conditions and trends, both for workers and employers. For example, workers may use LMI to find career outlooks for their region or consult average wages by occupation to determine what they can expect to earn. Employers may use LMI to help in determining where and when to recruit new workers and how to plan for future workforce needs. For analysts both within and outside of government, LMI data are useful as a way to 'check the pulse' of the economy and measure Canada's economic performance.

Strategic Planning and LMI

Strategic planning entails examining the current needs of an organization, creating goals or a vision for an organization's future, and developing a plan to meet those goals. Strategic planning may address planned growth in an organization, the development of new programs or service delivery techniques, and strategies for ensuring the sustainability of an organization. It involves

planning for funding and staffing to meet immediate and future needs. Staffing needs include replacing current workers who retire or move on as well as hiring new workers if expansion or change is planned.

Not all strategic plans look the same or include similar strategies for an organization's future. However, certain elements and considerations common to most strategic plans can benefit from labour market information.

Mission and Vision

A strategic plan will address the overall goals and mission of an organization and specify how they are to be achieved in its daily operations. As an organization's mission is carried out by its workers, the current and future workforce will be a prime consideration. For example, based on the mission of the organization, what personal qualities and values are important for staff to possess? What skills or education are required to ensure that workers' talents are aligned with the organization's mission and philosophy (e.g., nonviolent crisis intervention, active listening, values and ethics, etc.)?

The vision and mission may become part of an organization's internal LMI resources. For example, they can be instrumental in developing or fine-tuning job descriptions, in employee development and learning strategies, and in creating an organizational hiring guide that sets out the principles that will be used in future staffing actions and recruitment processes.

Future Directions and Goals

Strategic plans normally include a description of an organization's future directions. While some organizations will create strategic plans that focus on "keeping the lights on" and maintaining the status quo during difficult economic times, many plans set out goals for change or growth. Inevitably, significant changes in the work of an organization or taking on more work will alter the requirements for staffing, whether by hiring new staff, training existing staff, converting part-time positions to full-time, utilizing more volunteers, or a combination of these kinds of strategies. Also, managing adversity or change may call for workers with specific skills (e.g., fundraising) or expertise currently absent from the organization.

In the case of a plan to manage adversity, an organization may ask the following kinds of questions:

- In terms of both people and skills, what are our core strengths and capacities? How can we protect these resources?
- What skills and knowledge are needed to:
 - > carry out day-to-day operations?
 - > address our challenges?
 - > ensure our long-term success?
- What skills does the current workforce hold? Are these skills being fully utilized?

- Do we have the necessary expertise to manage our challenges? What is missing?

Organizations that are looking forward to growth or other kinds of change may ask a different set of questions to ascertain the potential staffing impacts of new or expanded activities:

- What skills and knowledge will be needed to:
 - > set up a new program?
 - > run the program?
 - > administer expanded activities?
- Do we already possess the necessary skills/knowledge? Do we need to identify opportunities for employee development? Will we need to recruit more workers?
- How big is the program? How many workers will be needed?
- How will growth affect our existing workers and service arrangements (e.g., payroll, accounting, volunteer management, etc.)?

The HR Toolkit contains more information about:

- HR planning

<http://hrcouncil.ca/hr-toolkit/planning-overview.cfm>

By addressing questions such as these an organization can begin to develop a plan for the program/initiative that considers both day-to-day operations and the "behind the scenes" work necessary for both start-up and ongoing administration. Detailed knowledge of the organization's workforce – a form of "internal" LMI – is extremely important to understanding the organization's capacity.

Some of the answers to the questions that arise in planning could come from documentation an organization already has (curricula vitae, performance reviews, etc.) or insights could come from interviews or surveys designed to gather data directly from employees. Information from outside sources (for example: job descriptions from other organizations, details about jobs from the National Occupational Classification, or advice from HR consultants) is also helpful in reviewing the skills and competencies that are commonly associated with a variety of positions. Using LMI, an organization can determine approximate costs for future workers using data on wages and salaries by occupation or average industrial wages, prepare for staffing processes,

identify training needs for new and existing workers, and develop detailed time and resource requirements.

Funding

Securing and managing funds are challenges in many nonprofit organizations. The quest for funding may involve negotiating contracts with governments or other organizations, writing proposals, organizing charity fundraising events, completing evaluation studies, and many other activities. In all these cases, LMI can be extremely useful in making the case.

Data on an organization's parent industry within the North American Industry Classification System can demonstrate growth and development in the sector. For a growing number of industries, there are projections of future growth that can be used to alert potential funders and donors to upcoming needs.

In the case of contract negotiations, average wage rates by occupation or industry and knowledge about how these compare to the wages offered by an organization are very helpful in making the case for adequate funding to ensure workers' wages keep pace with industry standards.

In addition, any internal LMI collected by an organization – such as data on workers' hours, duties or the volume of work completed – can help to highlight changing conditions that validate funding requirements. For example, if social service workers are experiencing increases in their average client load, this is a signal of increasing demand for services and possibly the need for more workers – and more funding – to ensure that services are maintained.

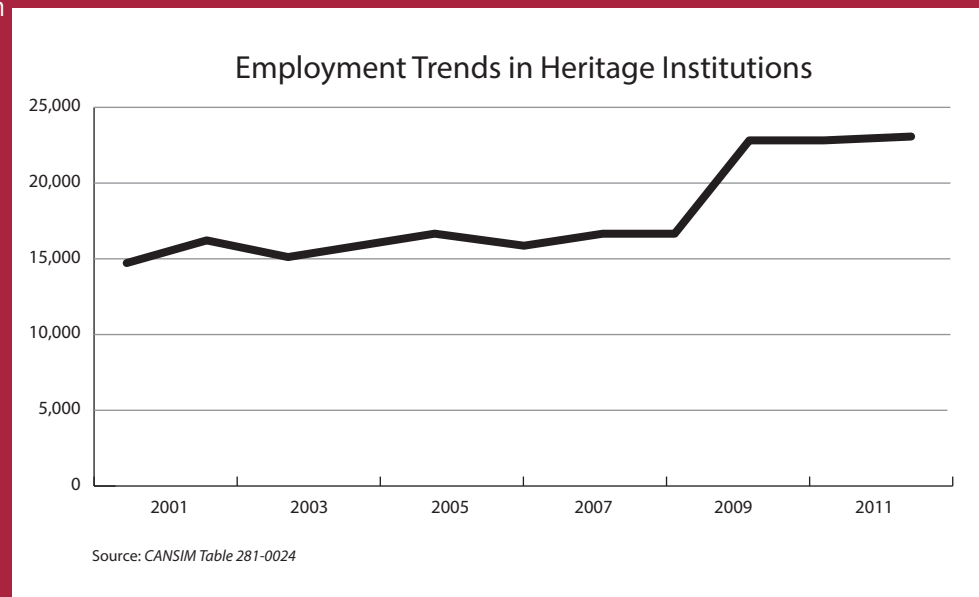
Securing funding is a necessity for nonprofit organizations and LMI can play a significant role in ensuring

LMI in Action: Making the Case for Heritage Institutions

Using annual employment data from the Survey of Employment, Payrolls and Hours (SEPH) that are free on CANSIM, we can show that there has been significant growth in employment in Heritage Institutions, which include museums and art galleries, many of which are nonprofit. Specifically, we can use the CANSIM data to show that employment in the industry grew 55% between 2001 and 2011.

We can also use data from workingincanada.gc.ca to find average wages for occupations such as curators that are important for a museum's activities. For example, based on the 2006 census, curators in Ontario earned an average of \$26.71 per hour. This number could then be compared to the wages for a curator at a local museum to illustrate the need for additional funding to ensure that the worker is not pressured to move on for higher wages.

As this brief example shows, LMI from various official sources, coupled with data from an individual museum showing attendance figures and staffing costs, could be helpful in making a compelling case for sufficient funding to attract workers in an increasingly competitive marketplace.



an organization has sufficient resources to meet its mission and achieve its goals.

Succession Planning

A successful organization needs to plan for its long-term sustainability, including how to deal with the departure of workers who fulfill central roles in the organization. This is especially true in small nonprofits where a handful of workers may be responsible for the organization

The HR Toolkit contains more information about:

- Succession planning

<http://hrcouncil.ca/hr-toolkit/planning-succession.cfm>

and its day-to-day operations, and embody its organizational memory – the knowledge of how and why things are done as they are.

Strategic planning is an opportunity to clarify how the organization will keep key positions filled. It is also an opportunity to plan for the maintenance of core knowledge in policies, procedures and record-keeping, and for the transfer of knowledge from person to person within the organization.

In developing a succession plan, key questions include the following:

- What are key workers' goals for advancement/career progression? Do these goals involve changing positions or leaving the organization?
- Who is planning to retire in the next five years?
- Are there any internal candidates to replace future retirees?
- How will knowledge transfer be managed?

Once again, LMI from inside and outside the organization helps to clarify what skills, competencies, qualifications and qualities are required of incoming employees and in determining appropriate compensation. LMI from outside the organization can be especially useful in identifying potential difficulties in attracting new workers, such as labour or skill shortages, and in shaping recruitment plans and strategies.

Putting it Together

Developing a strategic plan – in whatever form meets the needs of the organization, its workers and its Board – is an important part of ensuring that the organization can fulfill its mission. LMI can be an important input to the strategic planning process, providing a source of information to guide the plans as well as a “reality check” to ensure that plans are realistic, well-rounded and evidence-based.

LMI Sources

The following sources may be helpful for organizations wishing to obtain more information or to access labour market information directly.

[HR Council for the Nonprofit Sector](#)

[Working in Canada](#) (Operated by Human Resources and Skills Development Canada)

[CANSIM](#) (Operated by Statistics Canada)