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Top Trends in Workforce Management: How Technology Provides Significant Value Managing Your People

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Introduction

This study looks at workforce management (WFM) solutions.

Workforce management includes:

- Time and attendance
- Labor scheduling
- Absence management (e.g., vacation, sick time)
- Leave management (e.g., FMLA and disability)
- Fatigue management
- And more…

WFM technology is gaining attention because it is so closely linked to cost savings. HR.com surveyed 124 organizations to learn where they are getting value from their WFM solutions, the challenges they faced, and their plans for the future.

The data will help readers weigh their own experiences with WFM against the experiences of other organizations and help frame thinking about where best to invest in WFM.

Key Findings

1. Three-quarters of organizations reported that WFM implementations generated significant payback (on average 6-10% of payroll) in under a year.

2. Implementation was often harder than expected, not because of technology problems, but because of the need to win over and train staff.

3. While WFM can contribute to longer-term issues like workforce planning (an area that was improved for 40% of respondents), the bigger impact is in insights into managing short-term issues like absenteeism (60% of respondents).

4. There is keen interest in mobile applications, in particular enabling employees to view their own schedules on a smart phone or tablet. Forty percent of respondents intended to make improvements to their mobile capabilities in the next 12-18 months.

5. Respondents commented that irrespective of who officially wears the hat of owner of WFM, it needs to be a collaborative effort.

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Part 1: Where is Workforce Management providing value?

Are companies investing in workforce management (WFM)?

More than half of the respondents have made improvements in their WFM solutions the past 1-3 years (Figure 1). Because WFM has many components, it is likely most organizations will continue investing in both modest and significant improvements in the years ahead.

Figure 1: Companies that have recently improved their WFM solution

Significant improvements., 11%
Maintained status quo, 48%
Some improvements., 41%
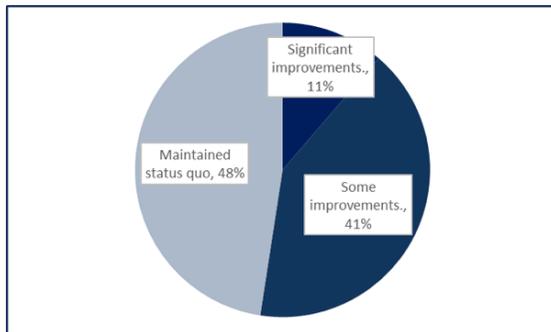
How has investing in WFM helped the organization?

The organizations that made improvements to the WFM solution listed, on average, five different benefits. The range in the number of benefits listed is remarkably large with some reporting as few as one improvement and some as many as 13 (Figure 2).

The range of improvement reminds us that WFM is a multi-faceted subject, there are many problems it can address and which ones a company chooses to focus on will depend on individual circumstances.

Figure 2: Number of areas of improvement
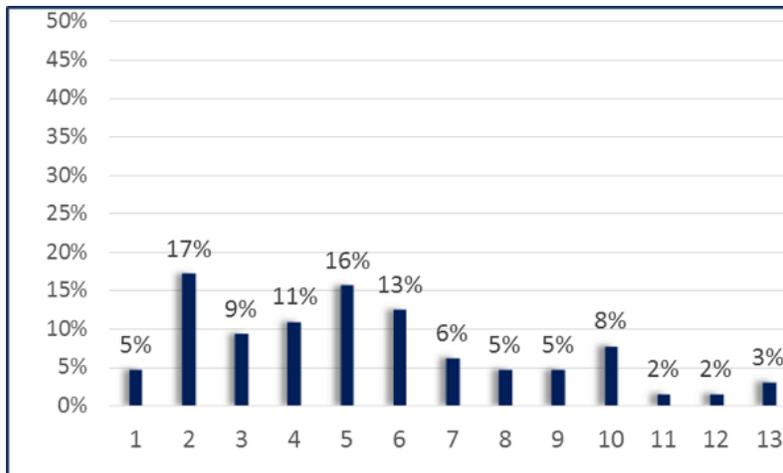
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These improvements can be categorized into two areas:

• Administration (running the day-to-day operations)
• Planning and Analysis (data gathering and analytical tools)

The two most common administrative benefits were an improvement in administrative efficiency and cost savings (both cited by 58% of respondents); and these of course are the main reasons for investing in WFM (Figure 3). However, other benefits such as improved compliance, customer satisfaction and employee productivity were also common. The takeaway is that WFM is so closely linked to day-to-day operations that there are many places it can have an impact.

Figure 3: What improvements in administration were most common?

WFM solutions generate a lot of data. Most respondents (60%) found that their investment in WFM improved their ability to generate new insights into managing the workforce (Figure 4). Improvements in the other areas listed in Figure 4 (scheduling, budgeting, labor forecasting and workforce planning) were also quite common, with more than 40% of respondents having seen a gain in each of these areas.

Note that the shorter term the outcome; the more likely respondents reported it as an improvement. For example, workforce planning, which has a time horizon of over a year, was the least cited benefit; whereas scheduling and new insights, which are closer to week-to-week operations, got the most attention. With WFM, management is looking for short term wins.

Figure 4: What improvements in planning and analysis were most common?
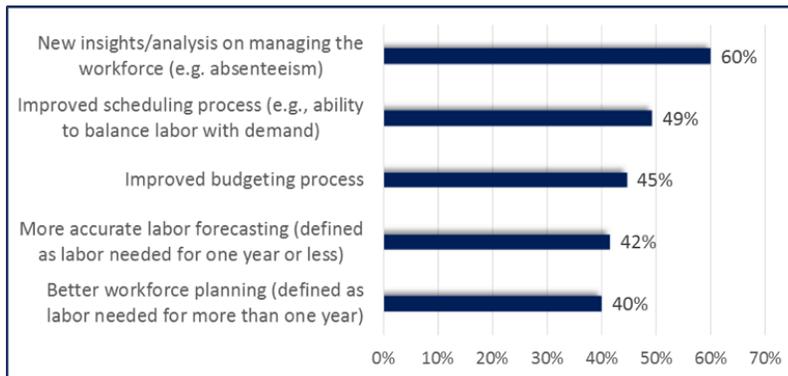
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Respondents specifically mentioned a few other benefits that deserve calling out:

- **Mobility** – Today's workforce management solutions often are 'mobile ready' enabling managers and staff to access the solution from a smart phone or tablet.
- **Employee satisfaction and morale** – There are several reasons WFM solutions might improve satisfaction. One is improved ease of use. Another is improved accuracy of payroll. A third is fairness; people who play fair are pleased when others no longer get away with gaming the time-keeping system.
- **FMLA** – While only a few companies found that WFM decreased abuse, some made a point of noting that streamlined FMLA processes saved a great deal of time

Which benefit of an improved WFM solution was most important?

Respondents were asked to discuss which benefit of improving their WFM solution was most important to them. There was no single answer that stood out; in fact what was noticeable is that each organization had its own pain point that was top of mind. The takeaway is for organizations to be clear about where their own opportunity lies, and be sure to tune their WFM improvements to address that.

What cost savings were achieved?

Survey respondents reported that improvements in WFM delivered on the most important metric: costs. The most common estimate of savings of improved WFM was 6-10% of payroll—more than enough to justify the cost of a system (Figure 5). Furthermore these savings were achieved quite rapidly, three-quarters of respondents achieved these savings in a year or less (Figure 6).

Figure 5: Estimated savings as a % of payroll due to improvements in WFM
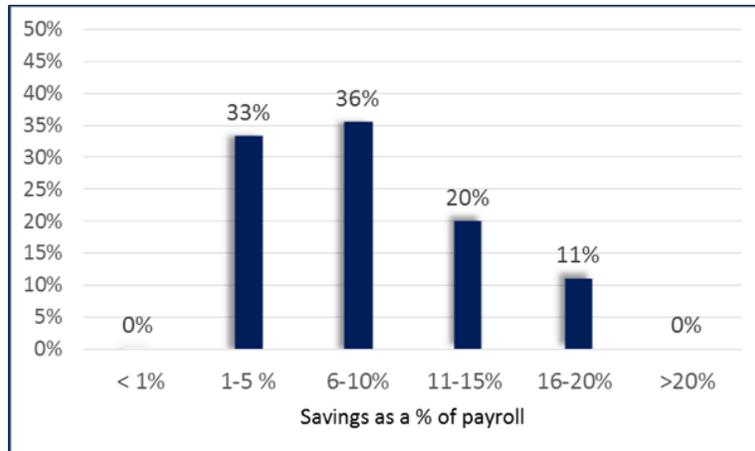
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Figure 6: How long did it take to achieve these savings?
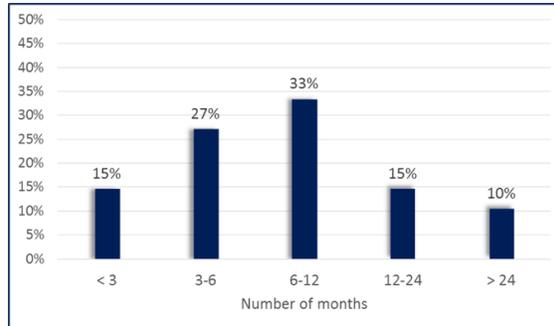
What were the difficulties and surprises of using WFM solutions?

The one commonly reported difficulty with implementing WFM solutions was getting employee buy-in. Respondents talked about issues such as "culture", "resistance to change", and "cooperation". The lesson learned is that WFM affects the daily work-life of both employees and managers so getting them onside is an essential, but not easy step. The effort required to get employee buy-in can lead to implementations taking longer than expected.

In terms of surprises, companies were often surprised when analyzing the data the system provided. For example, getting good data on absenteeism patterns surprised some, others found there had been 'ghost' attendance (i.e. people had been abusing a lax time-keeping system). The surprises found in the data are a good example of the value of analytics, but of course to do analytics you first need a system that captures the data.

Who has primary responsibility for setting priorities for WFM solutions?

Figure 7 shows that typically HR is responsible for setting priorities for WFM solutions (58% of respondents), followed by Operations (22%) and only rarely Finance (6%). A surprising number of respondents answered "Other" which tended to mean top management in smaller companies, and specialized departments (such as a WFM department) in larger organizations.

A number of the respondents who selected "Other" pointed out that WFM was a collaboration between HR, Operations and Finance. This is useful insight. Irrespective of who officially is the "owner" of WFM, it needs to be a collaborative effort.

Figure 7: Who has primary responsibility for setting priorities for WFM solutions?
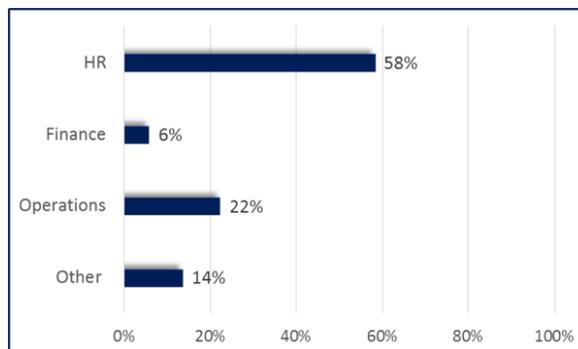
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Part 2: Where is Workforce Management going?

What are the most common Workforce Management priorities?

Much of the press about WFM solutions discusses the new technologies (such as mobile) and analytics. However, our survey showed that most organizations are still focused on the basics such as time and attendance and absence management; with leave management as the third most common priority (Figure 8).

On this list or priorities, Task Management, which focuses on tracking costs on specific tasks and projects, came out ahead of the more general tools of Labor Forecasting and Budgeting.

The takeaway is that organizations have prioritized the basic tools that help with day-to-day management.

Figure 8: Which WFM modules are priorities?
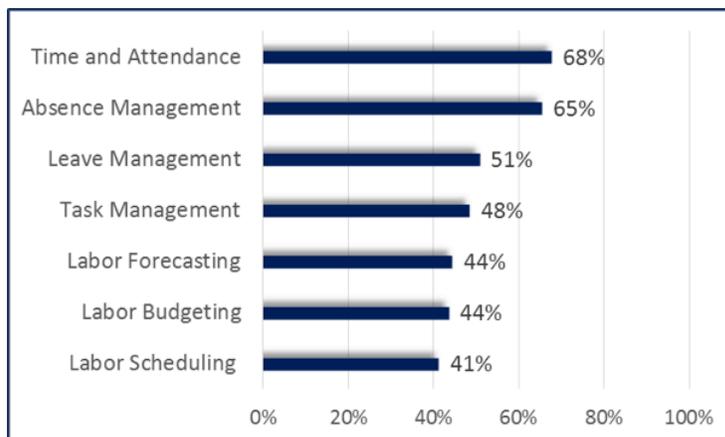
Notes: Task Management includes the ability to assign and monitor tasks and projects; Leave Management focuses on FMLA and disability; Absence Management focuses on vacation and sick time.

The one surprise in Figure 8 was that Labor Scheduling, surely a key part of everyday operations, appeared as a priority for less than half the respondents. WFM has the potential to greatly increase the sophistication of scheduling, so we asked respondents about which improvements to scheduling they planned in the next 12-18 months (Figure 9). Notice that the priority was in helping managers rather than employees. The three improvements that put power in the hands of employees (trading shifts, claiming open shifts and bidding on shifts) were priorities in less than a quarter of respondents.

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Figure 9: Which of the scheduling improvements do you plan to add?

|	
Schedule adherence	35%
Manager shift scheduling	33%
Rotating shift management	28%
Allow workers to trade or swap shifts	22%
Post open shifts for workers to claim	18%
Allow workers to bid on shifts	15%
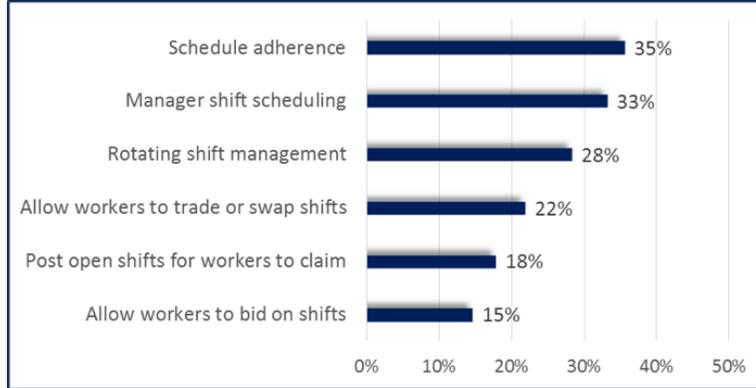
Notes: Rotating shift management involves defining rotations and placing workers in different start points for the rotation; Manager shift scheduling will enable managers in real time to change workers schedule assignments; Schedule adherence will enable a manager to see in real time when people have clocked in or have not showed up for shift.

Which new WFM technologies are hot? Hint: Mobile.

All kinds of interesting new technologies are showing up in the WFM world including mobile access, biometrics, and GPS location tracking. Of these, mobile is the most popular (Figure 10) with 40% of respondents planning to add that functionality.

Figure 10: Which technology improvements do you plan to add?

Mobile access to WFM solutions	40%
Magnetic swipe cards for clocking in	30%
Web Time Clock	29%
Biometrics for clocking in	26%
GPS location tracking of employees	20%
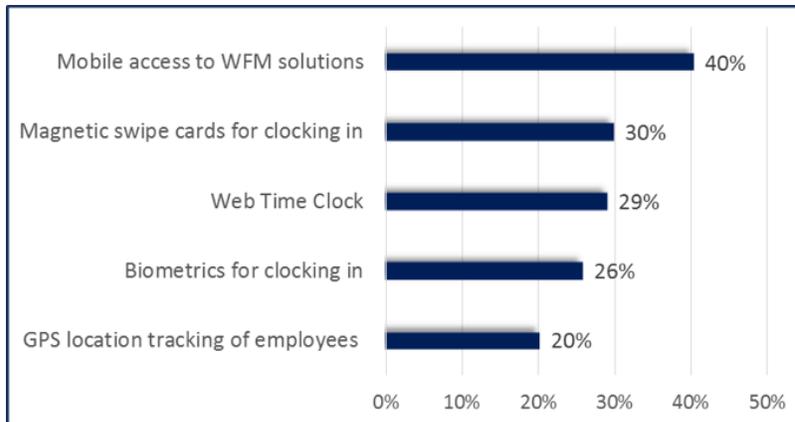
What is mobile good for?...apparently, many things. Of those with mobile, most respondents identified at least two uses; and many respondents (27%) identified more than 3 uses (Figure 11). The uses include employees viewing their own schedule, requesting time off, and entering time; the uses are shown in Figure 12.

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Figure 11: How many different uses will mobile have?

- 0 uses 17%
- 1 use 19%
- 2 uses 25%
- 3 uses 12%
- >3 uses 27%
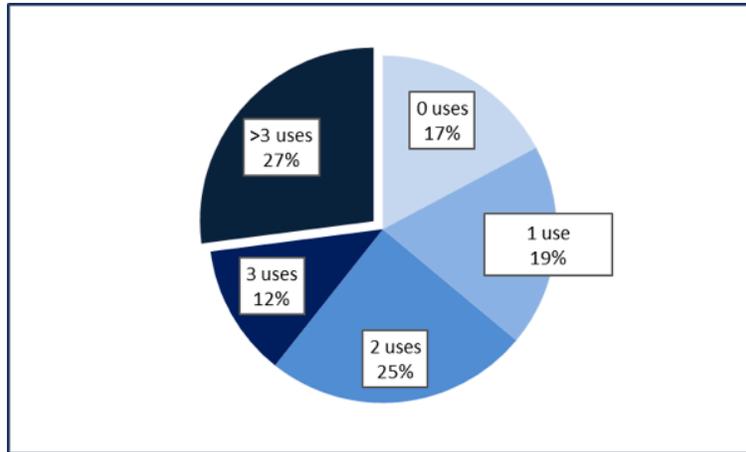
Figure 12: How companies would use mobile WFM
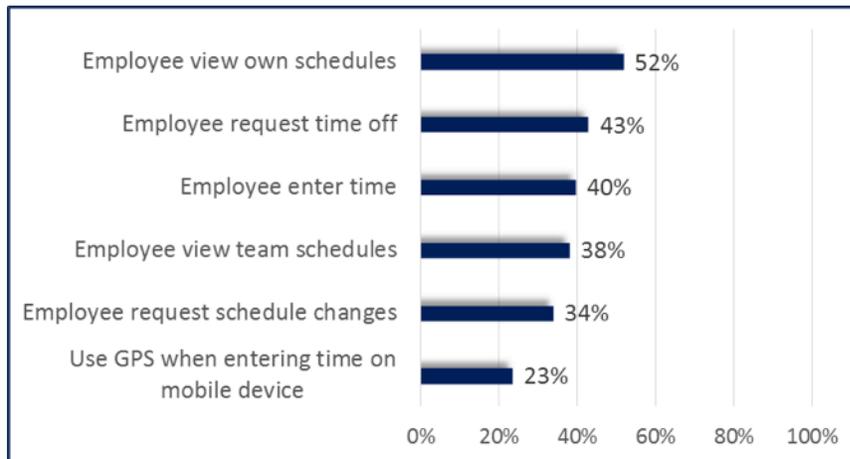
Employee view own schedules	52%
Employee request time off	43%
Employee enter time	40%
Employee view team schedules	38%
Employee request schedule changes	34%
Use GPS when entering time on mobile device	23%

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## Which new data is most needed?

Two of the important types of data WFM collects are:

- Attendance data
- Tracking time against tasks, projects, work orders etc.

Figure 13 shows that the top priority is tracking attendance for disciplinary purposes. That means tracking late-ins, early outs, and no shows. However, one should not underestimate the importance of the different sorts of tracking time. While the only type of tracking time that was listed as a priority by more than one-third of respondents was tracking time against tasks/activities, more than two-thirds identified at least one sort of tracking time as a priority.

In their comments, respondents often mentioned that improvements to Attendance Tracking were top of mind, although not always for the same reasons. Some wanted better tracking for rewards, some for more accurate overtime and some to link attendance to specific work orders.

Figure 13: Which data gathering improvements do you plan to add?

Category	%
Attendance tracking for disciplinary purposes	52%
Tracking time against tasks/activities	39%
Attendance tracking for reward purposes	38%
Tracking time against projects	32%
Tracking time against jobs	30%
Tracking time against work orders	27%
Tracking time against customers	21%
Tracking time to send to billing	18%
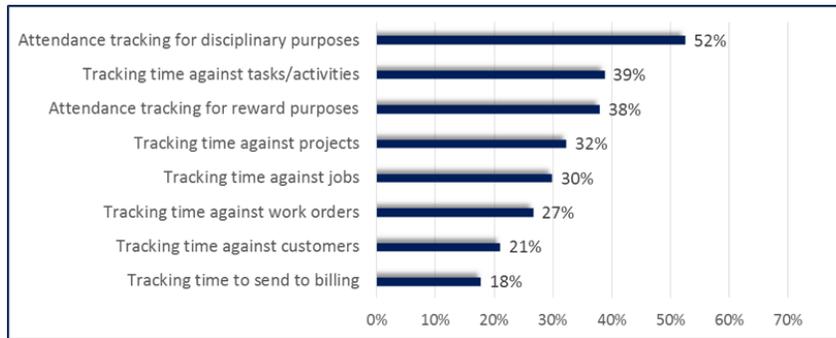
Integration issues

The need for better payroll integration with time and attendance was mentioned by more than half the respondents—which is surprising since it is so basic to WFM (Figure 14). It is a reminder to HR professionals that integration is always an issue that needs careful attention; simply accepting a vendor's assurances that 'integration will not be a problem' is not sufficient.

**Figure 14: Where does there need to be better integration with time and attendance?**
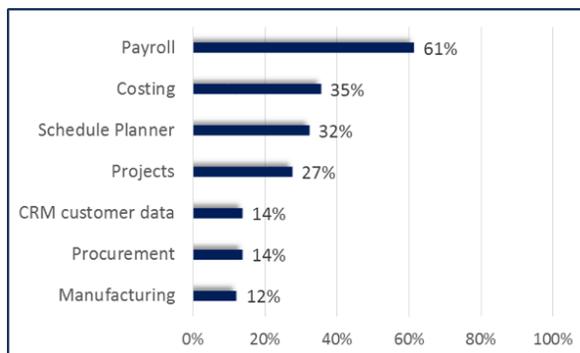
Category	%
Payroll	61%
Costing	35%
Schedule Planner	32%
Projects	27%
CRM customer data	14%
Procurement	14%
Manufacturing	12%

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Satisfaction with WFM solutions

This study has looked at what organizations have done with WFM, the payoff and what they hope to do in the future. It all involves a lot of work—are respondents happy with the results? As shown in Figure 15, the weighting is clearly towards satisfaction rather than dissatisfaction. However, close to 60% were "somewhat satisfied" or lower. There is still much work to be done to bring WFM implementations up to their potential.

Figure 15: Satisfaction with WFM solutions
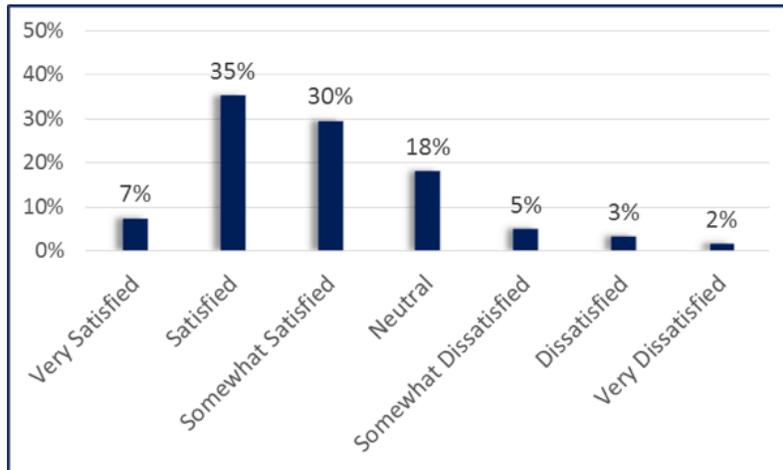
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Part 3: Demographics and Conclusion

This study reached out to a wide range of WFM professionals of five continents.

Location	
North America	59%
Asia	25%
Africa	7%
Europe	7%
Australia	2%

Department	
Finance	3%
Human Resources	69%
IT / HRIT	2%
Operations / Management	15%
Other	11%

Number of employees	
<100	24%
100-499	24%
500-999	17%
1,000-4,999	14%
5,000-19,999	13%
>20,000	7%

Industry	
Agriculture, Forestry, Fishing and Mining	6%
Computer/Telecom	9%
Education	11%
Finance, Insurance and Real Estate	4%
Government	5%
Health Services	7%
Manufacturing	8%
Non-Profit	2%
Retail	2%
Services	25%
Transportation and Public Utilities	3%
Other	18%

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Conclusion

What is striking about the findings, for an HR professional, is that they show workforce management solutions have a large, fast payoff. Clearly everything HR does, from recruiting to exit interviews, is meant to have a large payoff, but rarely are the results so clear. What makes workforce management special is that it is very closely tied to day-to-day operations. Put in a system today and a manager may be able to reduce overtime costs tomorrow.

The survey also reminds us that workforce management is an umbrella term that covers many different activities. A simple finding such as "Attendance Tracking is important" proves to be more complex when you look at it case-by-case since organizations may want attendance tracking for quite different reasons (e.g. for reward; for compliance; for tying costs to projects). Organizations need to be clear about what they most need for their particular operations.

In the press, there is a lot of excitement about Big Data and analytics. However, when you look at the results of this study, organizations are currently most interested in systems that help with the everyday work of managing absenteeism, leave, and scheduling. This does not mean there is not great promise in workforce analytics, just that organizations need to get the basics in place first.

We can conclude that while organizations have made a lot of progress in implementing workforce management solutions there is still a lot they want to do, new modules they want to add, and new technologies like mobile they want to adopt. Workforce management solutions will play a big role in the lives of HR managers for the foreseeable future.

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