Next-Generation Workforce Management

Incorporating Collaboration and Mobility To Optimize Productivity

Benchmark Research
White Paper

VENTANA
RESEARCH

Aligning Business and IT To Improve Performance

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Ventana Research performed this research to determine attitudes toward and utilization of workforce management. This document is based on our research and analysis of information provided by organizations that we deemed qualified to participate in this benchmark research.

This research was designed to investigate workforce management practices and needs of individuals and organizations and the potential benefits from improving their existing processes, information and systems. This research is not intended for use outside of this context and does not imply that organizations are guaranteed success by relying on these results to improve planning. Moreover, gaining the most benefit from the use of next-generation workforce management requires an assessment of your organization's unique needs to identify gaps and priorities for improvement.

We certify that Ventana Research wrote and edited this report independently, that the analysis contained herein is a faithful representation of our evaluation based on our experience with and knowledge of workforce management, and that the analysis and conclusions are entirely our own.

Ventana Research

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Executive Summary

The traditional approach to workforce management – largely administrative and rooted in time-and-attendance and staff scheduling activities – is outdated. So is the use of spreadsheets or time recording systems, which spend employees' time unproductively, are prone to error and generally produce poor internal customer service for both managers and employees. Such inefficiency does not serve today's enterprises well.

At the same time, the concept of workforce management has expanded, incorporating aspects of activity and task management, manager and employee collaboration and the use of workforce analytics for labor optimization. In today's fast-paced and competitive environment, organizations need to assign with dispatch the right people to jobs and then actively manage their effectiveness. Thus workforce management software has grown in importance as a tool to control labor costs, minimize risk, fulfill compliance obligations and improve workforce productivity and organizational effectiveness. To do all this, the tools companies use in these processes must provide more capabilities than in the past.

Companies are fortunate that advances in information technology and communications offer new ways to modernize workforce management. In particular, technologies such as social collaboration and mobile devices enabling dialogue and information access that first gained currency among consumers are making their way into business settings. Here they not only are changing how managers and employees communicate and manage their daily activities but are enabling companies to acquire the right skilled talent. As a result, embracing them is becoming a requirement to be able to engage employees who expect to use at work the devices that are woven into the fabric of their non-work lives.

About half (51%) of participants said they are confident or very confident that they're managing their workforces effectively, but the rest said they are just somewhat confident or not confident.

Ventana Research undertook this benchmark research to acquire real-world information about how organizations are responding to the need for change in workforce management. It investigates how they manage critical activities in monitoring the workforce and managing its productivity; what systems they use to collect and analyze information; and what barriers they encounter in efforts to achieve their aims for workforce management.

The research reveals a number of important uncertainties. For example, about half (51%) of participants said they are confident or very confident that they're managing their workforces effectively, but the rest said they are only somewhat confident or not confident. A similar split exists in how satisfied organizations are with their current workforce management system: Two in five (41%) are satisfied or very satisfied with it, but as many (42%) are only somewhat satisfied, and an additional 15 percent are not satisfied. Also, nearly half (45%) said they need new applications

to improve workforce productivity and results, with even higher percentages of executives and managers saying so.

Workforce productivity is a critical matter for organizations; nearly three-fourths (73%) of participants said that improving it is very important, and nearly half (48%) said this is one of their top three workforce management priorities for the next year. The other two top priorities were aligning the workforce to business goals and objectives, which is an effectiveness measure, and the more tactical goal of improving efficiency in workforce management processes. All three must be addressed to ensure optimal performance; also important are the related goals of retaining talent and improving employee satisfaction, which ranked fifth and sixth.

The nature of an organization's workforce management systems is relevant to participants' satisfaction with them. The research finds that three out of four (73%) use desktop spreadsheets universally or regularly for workforce activities and schedules. Fewer than half that many (32%) use a dedicated workforce management system. Yet two-thirds of those that have a dedicated system are satisfied or very satisfied with it, compared to only 30 percent that do not have one. We find such a pattern consistently in our research: Spreadsheets are not designed to support processes that extend across an enterprise, and using them regularly creates errors that can have widespread consequences. Participants acknowledged as much: 42 percent said spreadsheets make it difficult to manage the workforce efficiently.

The research finds that 40 percent of organizations do not plan to change the vendor they use for workforce management, which tallies with the 41 percent who said they are satisfied with their system. Only 7 percent said they will change vendors, half of the 15 percent that are not satisfied. But again we find uncertainty among nearly half of participants: 18 percent are considering change, and more than one in four (27%) said they don't know what the organization will do.

Two-thirds of those that have a dedicated workforce management system are satisfied or very satisfied with it, compared to only 30 percent that do not have one.

A second major conclusion of this research is that organizations are aware of the evolution of workforce management practices and tools and are at different stages in reacting to it. With respect to time and attendance, for example, more than half (58%) currently have employees use time clocks or a time-recording system to punch in and out, but 41 percent plan to evaluate new technology for tracking employees' hours in the next 12 to 18 months. More have deployed performance-related software for time and attendance than have adopted advanced time clocks (44% vs. 33%, respectively). Deployments for time clocks will decline to 25 percent in one year and 13 percent in two years; 21 percent have no plans for further deployments of this sort.

There is interest in new technologies to track employees' hours. In addition to conventional means such as Web browser access, organizations will look at check-in via smart cards (34%), biometrics (27%), photo or video (13%) and voice (10%). As well, one-third will examine the capabilities of smartphones and tablets for this purpose.

Such mobile devices are becoming ubiquitous in business functions, and workforce management is no exception. More than half (56%) of participants' workforces already have smartphones, one-fourth plan to deploy them or deploy more of them, and only 18 percent have no such plan. As they are newer and more costly, tablet computers predictably are less widespread: 28 percent have deployed them and one-third said they will do so, but the largest portion (38%) have no such plans. As for who should be using these devices, close to three in four participants (72%) said it is important or very important to give management mobile access to team-level schedules and to enable mobile review of team activities and performance. For workers, mobile access to view schedules, punch in and review information via smartphones and tablets is important or very important to 56 percent of organizations.

Mobility is one of three key technology areas that large numbers of research participants identified as critical for improving the operations and performance of their workforces. It ranked third in importance (cited by 43%), analytics was second (68%), and collaboration topped the list at 70 percent. Collaboration is a natural tool for both workforce enablement and management, and most organizations already support basic collaborative tools such as sharing folders and documents (81%), instant messaging (66%), videoconferencing (59%) and application sharing (53%). Discussion forums are used by 37 percent of organizations and are the capability most plan to use (30%).

Methods derived from social media also are receiving attention: One in five now use Twitter-like broadcasting or Facebook-like wall posting, and 29 percent and 27 percent, respectively, plan to use them. However, these two capabilities are also those most being resisted: 49 percent said they won't use broadcasting, and 52 percent have no plans for wall posting.

More than half (52%) of organizations plan to adopt labor and workforce analytics tools in the next year, joining the 30 percent that already have them.

The direct application of these techniques to workforce management remains to be proven to many businesses. Nearly half (47%) of participants said they prefer to access collaboration tools through a familiar personal productivity suite such as Microsoft Office, but 37 percent would like such tools embedded in workforce applications. We expect the latter preference to increase as organizations move away from using spreadsheets to manage employees and processes.

Adoption also is growing for analytics. More than half (52%) of organizations plan to adopt labor and workforce analytics tools in the next year, joining the 30 percent that already have them. Three in five (61%) said they plan to improve their organization's workforce analytics capabilities, while only 13 percent don't plan to; the remaining one-quarter don't know what they will do. Similarly, one-third expressed no preference for how to make analytics tools available to the workforce. Roughly one-third of organizations would like analytic tools embedded in workforce applications, about the same number as for collaboration; slightly more (38%) want them to be part of business intelligence deployments, with which analytics generally is associated.

The inconsistency and hesitation uncovered by the research are reflected in the outcome of our Maturity Index analysis, which assesses organizational maturity on four levels and in four dimensions. Only one in 10 participating organizations rank at the highest Innovative maturity level, and nearly six in 10 rank at the two lowest levels. In all of the four dimensions (People, Process, Information and Technology), most participants are in the lower half of the maturity hierarchy, although they are most mature in Technology, where 47 percent reached the upper half. The most (18%) at the Innovative level are in the People dimension, which we attribute to awareness of the importance of effective workforce management; however, few have followed through on improving the processes, information and tools they use.

Organizations have deployed new workforce management applications and tools to a range of roles, from front-line workers to executives, in roughly the same numbers, 22 to 28 percent, and in the next year 18 to 24 percent will get new software. The system capabilities participants most often identified as very important reflect standard divisions of labor: assigning goals and tasks to workers (for management), gaining access to company and work information (for workers), assembling information and management reports (for analysts) and ensuring secure access to applications and data (for IT).

In this period of flux, the research shows, a strong business case will be necessary to secure approval for new workforce management tools. According to participants the top considerations for the business case are having the budget for investment (63%) and having executive sponsorship (56%). The problems most often motivating investment are a demand for higher productivity from the workforce (cited by 63%), inconsistent execution (48%) and scattered information (44%). These issues point to the three dimensions in which our Maturity Index indicates that organizations most need improvement: People, Process and Information.

Based on the findings of this benchmark research, we advise organizations to adopt dedicated applications for workforce management that support modern capabilities. The data shows this is the most direct path to enable them derive full value from the efforts of their employees and keep them motivated and engaged.

About This Benchmark Research

Methodology

Ventana Research conducted this benchmark research on the Web from March through July 2012. We solicited survey participation via email, our website and social media invitations. Email invitations were also sent by our media partners and by vendor sponsors.

We presented this explanation of the topic to participants prior to their entry into the survey:

> Workforce management is being extended to take into account collaborative technologies and mobile computing, both of which change the way managers and employees communicate and manage their daily workflows as well as how organizations acquire, develop and retain talent. It is evolving into a more integrated and demand-oriented management tool – what we call next-generation workforce management. This benchmark research is designed to yield a broad-based, authoritative analysis of the use of and interest in these new integrated, demand-oriented workforce management systems.

The following promotion incented participants to complete the survey:

> What's In It For You? Upon completion of the research, all qualified participants will receive a report on our benchmark research findings to support your organization's efforts along with a $5 Amazon.com certificate. In addition, all qualified participants will be entered into a drawing to win one of 25 benchmark research reports, valued at US$1,495 or €1,232. Thank you for your participation!

Qualification

We designed the research to assess the use of and plans for next-generation workforce management across organizations and industries. Qualification to participate was presented to participants as follows:

> This research is designed for executives, management, managers and workers across businesses along with those in IT managing technology deployments. Solution providers, software vendors, consultants, media and systems integrators may participate but are not eligible for any incentives and their input will be used only if they meet the qualifications. Incentives are provided to qualified participants in the research and also are conditional on provision of accurate contact information including company name and company email address that can be used for fulfillment of incentives.

Further qualification evaluation of respondents was conducted as part of the research methodology and quality assurance processes. It entailed screening out responses from companies that are too small, questionnaires that were not materially complete, or those where the submission is from an inappropriate submitter or appears to be spurious.

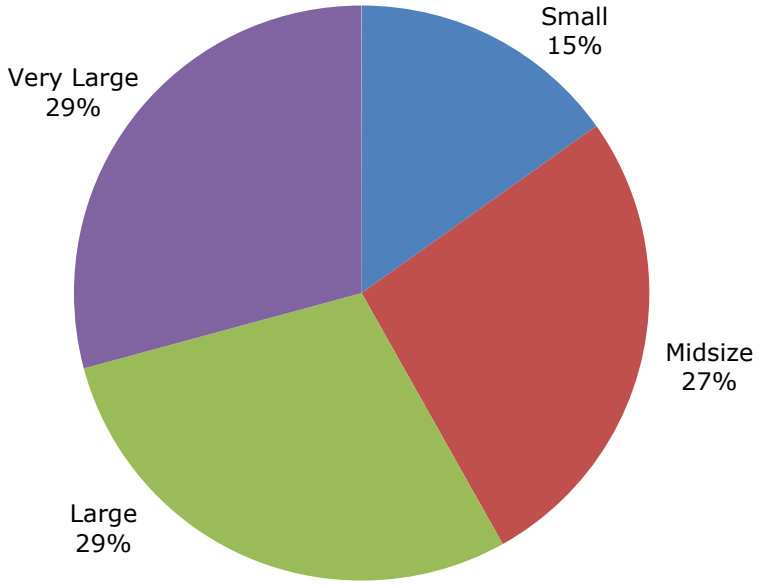
Demographics

We designed the survey used for this research to be answered by executives and managers across a broad range of roles and titles working in organizations. We deemed 354 of those who clicked through to this survey to be qualified to have their answers analyzed in this research. In this report, the term "participants" refers to that group, and the charts in this section characterize various aspects of their demographics and qualifications.

Company Size

We require participants to indicate the size of their entire company. Our research repeatedly shows that size of organization, measured in this instance by employees, is a useful means of segmenting companies because it correlates with the complexity of processes, communications and organizational structure as well as the complexity of the IT infrastructure. In this research, participants represented a well-distributed range of organization sizes: 29 percent work in very large companies (having 10,000 or more employees), another 29 percent work in large companies (with 1,000 to 9,999 employees) and 27 percent work in midsize companies (with 100 to 999 employees); the remainder (15%) work in small companies (with fewer than 100 employees). This spread is consistent with prior benchmark research and our research objectives and provides a suitably large sample from each size category.

Figure 1
Participants by Company Size

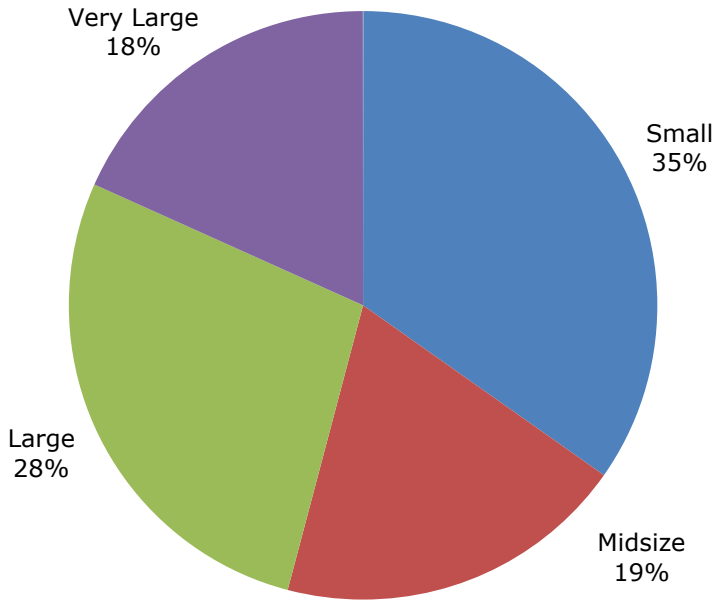


Source: Ventana Research

Company Size by Annual Revenue

When we measured size by annual revenue, the distribution of categories shifted downward; fewer companies were defined as very large and many more as small. By this measure, 11 percent fewer are very large companies (having revenue of more than US$10 billion), about the same number are large companies (having revenue from US$500 million to US$10 billion), 8 percent fewer are midsize companies (having revenue from US$100 to US$500 million), and more than twice as many are small companies (with revenue of less than US$100 million). This sort of redistribution is typical in our research projects when we shift to measurement by revenue instead of headcount.

Figure 2
Participants by Company Size (Annual Revenue)

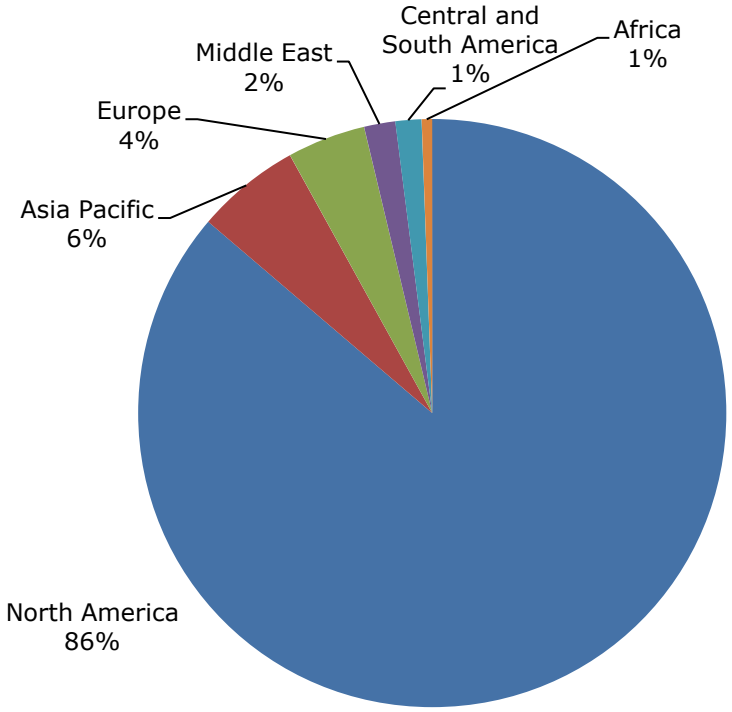


Source: Ventana Research

Geographic Distribution

A large majority (86%) of the participants were from companies located or headquartered in North America. Those based in Asia Pacific accounted for 6 percent, in Europe for 4 percent, in the Middle East for 2 percent and in Africa and Central and South America for 1 percent each. This result was in keeping with our expectations at the start of this investigation, since organizations participating in our research most often are headquartered in North America. However, many of these are global organizations operating worldwide.

Figure 3
Participants by Region

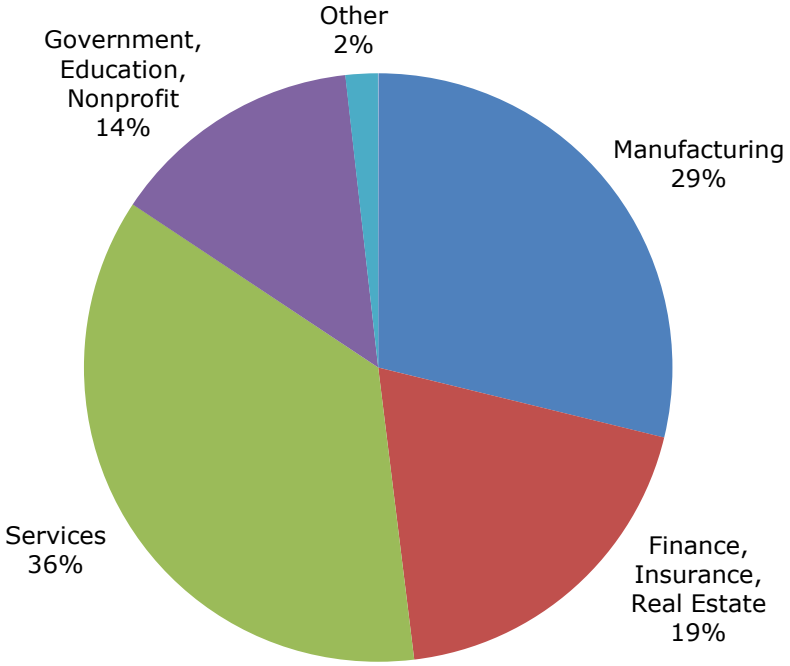


Source: Ventana Research

Industry

The companies of the participants in this benchmark research represented a broad range of industries, which we have categorized into four general categories as shown below. Companies that provide services accounted for the largest share of participants (36%), followed by manufacturing (29%) and finance, insurance and real estate (19%). Government, education and nonprofits as well as a miscellaneous Other category accounted for the balance.

Figure 4
Participants by Type of Industry

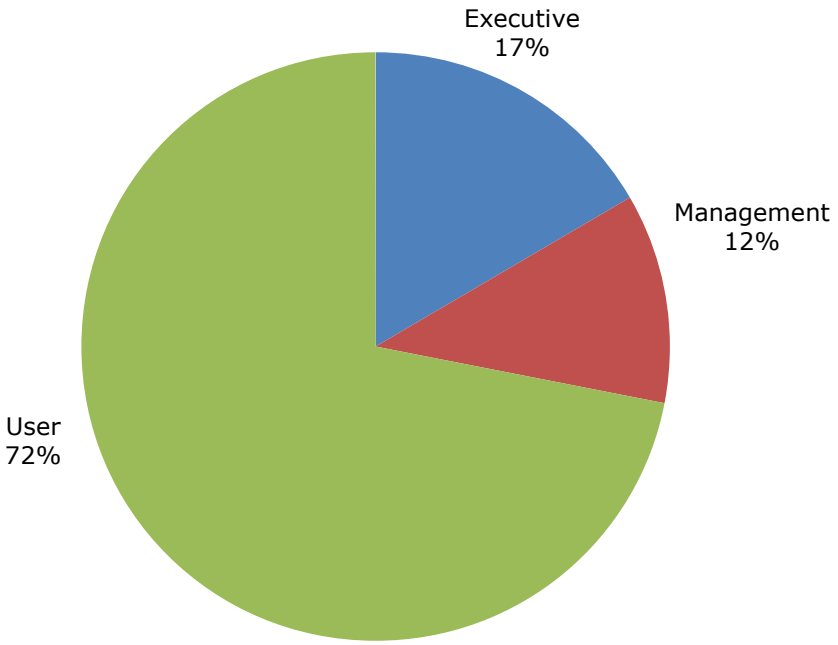


Source: Ventana Research

Job Title

We asked participants to choose from among 12 titles the one that best describes theirs. We sorted these responses into four categories: executives, management, users and others. Slightly fewer than three-fourths identified themselves as having titles that we categorize as users, a grouping that includes director (21%), senior manager or manager (34%), analyst (11%) and staff (7%). Fewer than one-fifth (17%) are executives, and one-eighth (12%) are management, by which we mean vice presidents.

Figure 5
Participants by Job Category



Source: Ventana Research

This is how we aggregated the 12 title response options:

Executive
CEO or President
COO or Head of Operations
CIO or Head of Information Technology
CFO or Head of Finance
Other CxO

Management
EVP or SVP
VP

User
Director
Senior Manager
Manager

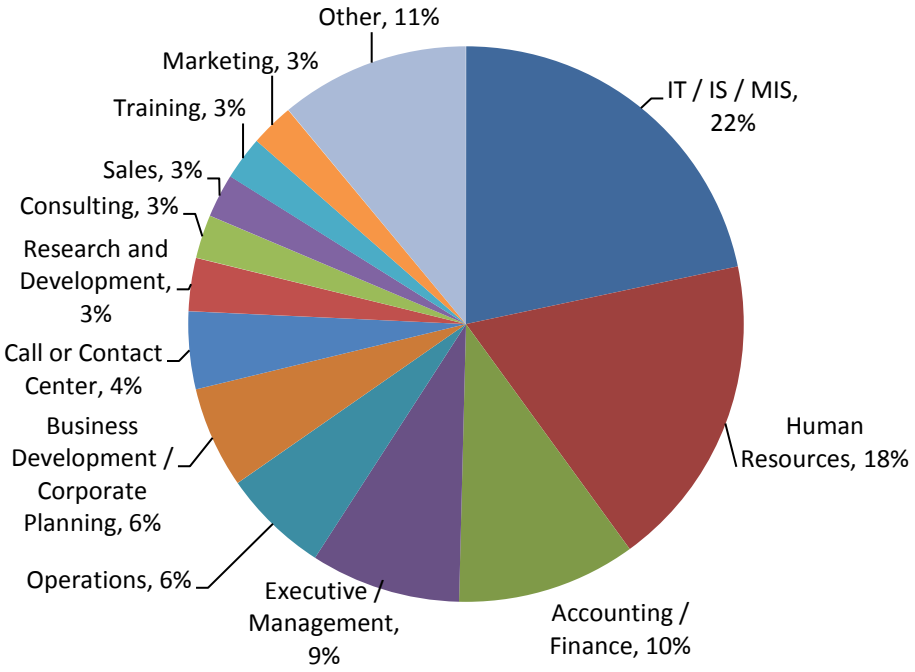
Analyst (Business, Financial, etc.)
Staff

We concluded after analysis that this response set provided a meaningfully broad distribution of job titles.

Role by Functional Area

We asked participants to identify their functional area of responsibility as well. This enabled us to identify differences between participants who have differing roles in the organization. A bit more than one-fifth came from IT positions, and a bit fewer than one-fifth came from HR. Finance accounted for the third-largest share and executives and management for the fourth-largest. Eight various other functions amounted to not quite one-third (31%) and a dozen other titles, none with more than 2 percent, accounted for the balance.

Figure 6
Participants by Functional Area



Source: Ventana Research

Key Insights

Our research yielded the following important general findings and key insights regarding developments in workforce management. (We discuss maturity levels in the Maturity Index portion of the full research report; the actual questions asked in our survey are in the Appendix to the research report.)

Organizations are maturing unevenly in workforce management.

Our Maturity Index analysis places only one in 10 of the organizations participating in this benchmark research at the highest Innovative level of maturity in workforce management. Conversely, nearly six in 10 rank at the two lowest of the four maturity levels. When it comes to the four dimensions (People, Process, Information and Technology) in terms of which we evaluate maturity, more than half of organizations are in the lower half in all of them. Almost none reach the Innovative level in Process and Information, and two-thirds are at the two lowest levels in People and Process. Organizations are most mature in the Technology component, with one-third at the second-highest Strategic level. Analyzing organizations by size according to their number of employees, we found very large companies to be the most mature, with 58 percent at the two highest levels, and small to be the least so, with 84 percent at the two lowest. Among industry sectors, we consider Manufacturing the most mature, with 20 percent being Innovative and 35 percent Strategic. In general, the research finds that most organizations have work to do improve workforce management to the point that it becomes a business asset and competitive advantage.

Organizations are concerned about how they manage their workforces.

Organizations vary in their confidence in how effectively they are managing their workforces, but a small majority (51%) said they are confident or very confident of this, and only 9 percent said they aren't confident; the remaining 40 percent said they are somewhat confident. There was more unanimity in their views on improving the productivity of the workforce: Nearly three-fourths (73%) said that is very important. In their priorities for workforce management, participants ranked most highly aligning the workforce to business goals and objectives (number one for 29%), which is an enlightened goal; next-highest were the more conventional priorities of increasing workforce productivity (14%) and improving the efficiency of workforce management processes (11%). The related goals of retaining talent and improving employee satisfaction ranked only fifth and sixth, but it is worth noting that these likely impact achievement of the more highly rated goals. Another significant finding is that nearly half (45%) of organizations said they need new applications to improve workforce productivity and results. The research findings suggest that they will have to meet such needs before their confidence in workforce management increases significantly.

Methods for tracking time and attendance are evolving.

Monitoring employees' time and attendance is still a fundamental aspect of workforce management and one that is a natural fit for automation. The research shows that organizations are moving toward more advanced methods of handling this core task. More than seven in 10 have deployed performance-related software for time and attendance already (44%) or plan to deploy it in the next year (28%). These are higher percentages than the research shows for existing time-clock technology for punching in and out, which is used by one-third of organizations now and will be by

another one-fourth in the next year. More than half (58%) currently have employees use time clocks or a time-recording system to punch in and out, but this may change; 41 percent plan to evaluate new technology for tracking employees' hours in the next 12 to 18 months. The technologies most often named as important in tracking hours are well-established: access through a Web browser (cited by 48%), support for traditional check-in and check-out tasks (46%) and operation across a Wi-Fi network (43%). But more innovative methods are gaining interest, such as check-in via smart card (34%), operation on smartphones and tablets (33%) and check-in via biometrics (27%). (Q17) Improvement in handling this basic task can help organizations mature by opening the door to more strategic workforce management.

Organizations are prioritizing a new generation of workforce management capabilities.

This research shows that workforce management is evolving beyond traditional activities such as time and attendance, scheduling and absence management. For example, proximity check-in using smartphones, smart cards and biometrics is an important capability for 16 to 34 percent. Even voice-activated check-in is an important evaluation criterion for 10 percent. Supporting a range of Twitter- or Facebook-like social collaboration capabilities is planned by more than one-quarter (27%) of organizations. And substantial numbers plan to use workforce management software in fatigue management (32%), coaching (33%) and learning and training (29%) in the next year. The research findings thus make clear that new technology is emerging to meet a range of worker and manager needs.

Mobile capabilities are gaining importance for workforce management.

The importance of supporting workforce management on smartphones and tablets is rising, as one-third of organizations said it is an important capability to consider in evaluating new technology to track employee hours. In addition, almost half of organizations (46%) plan to add within one year mobile access for workers to punch in and out and perform other tasks (17% already have this capability), and 40 percent will add mobile access to enable managers to do scheduling and reviews (as 20% already do). Within two years 88 percent of managers will have mobile access. As one might expect, smartphones are the mobile tool most widely deployed by organizations to workforces (in 56% of organizations). Currently 44 percent have deployed tablets, but more than one-third of those plan to deploy more of them. Among mobile devices, tablets are the type most organizations (18%) plan to deploy. Mobile technology thus is rapidly becoming a critical delivery mechanism for workforce management.

Vendor and manufacturer choices for mobile devices are in flux.

When it comes to mobile device operating systems, RIM's BlackBerry is still the one most often found deployed (in 61% of organizations), but Apple's iOS has reached half of organizations and Android nearly as many (45%). Executives and IT staff prefer Apple iOS over others. It is interesting that very large organizations (with the most employees) prefer the BlackBerry operating systems and phones while organizations with the fewest employees prefer Android operating systems. We think this is the case likely because the very large have had smartphones longer, beginning when RIM was dominant, and small ones opt for the least expensive phones, which run Android.

Asked specifically about their choice of smartphones for current use of and deployment plans, most research participants (60%) identified the iPhone or the BlackBerry (54%); these are the only platforms for the top two operating systems, while Android runs on multiple manufacturers. Among tablets, the Apple iPad is the favorite (63%). In the evolving area of mobile applications the research finds less support for particular platforms. Almost half (47%) of participants said they prefer apps that run on Web browsers, which can be used on various devices, while 37 percent expressed no preference; many fewer (16%) want apps that are native to the OS. The research shows that organizations are taking an active role in providing mobile access for their workforces, 42 percent of which receive tools through corporate purchase and 36 percent through a combination of corporate and individual purchase; only 11 percent leave it to individuals, and the same percentage don't support mobile access. Organizations that have dedicated systems for workforce management are providing more flexibility to their people in selecting mobile technology to use. Others should take into account the evolution of preferences for and approaches to mobile access for workforce management activities.

Collaboration is critical to next-generation workforce management.

Participants expressed a strong interest in the enabling collaboration among employees and with managers: 70 percent selected collaboration as a critical technology to make it possible to improve workforce operations and performance. Implementation is accelerating: While 25 percent have already deployed software supporting collaboration in the workforce, significantly more (38%) plan to do so within a year. Currently most organizations use rudimentary or multipurpose tools for collaboration; the most common is sharing folders and documents (81%), followed by instant messaging (66%), videoconferencing (59%) and application sharing (53%). Among newer forms of collaboration, discussion forums are used in more than one-third (37%) of organizations; this capability is the one most plan to use (30%). Social media use is beginning to move into business from the consumer world, as one-fifth now use Twitter-like broadcast capabilities or Facebook-like wall posting; larger numbers plan to implement each. Most (47%) seem content to access collaboration tools through the familiar Microsoft Office or another personal productivity suite, but 37 percent would like the tools embedded in workforce applications. Coaching of employees is a natural use for collaboration; one-third of organizations do so, and another one-third are planning to deploy it in the next year. Collaboration can expand dialogue among workers and managers for a variety of workforce processes and thus reinforce employee engagement.

Most organizations use inadequate software for workforce management.

Effective workforce management requires effective tools, and information technology designed for this purpose can help organizations attain that goal. Yet the research shows that only about one in three organizations (32%) use a dedicated workforce management system. Participants overall are divided on how they feel about their system: 41 percent are satisfied or very satisfied with it, but as many (42%) are only somewhat satisfied, and 15 percent are not satisfied. However, two-thirds of those that have a dedicated system are satisfied or very satisfied with it. The research also finds widespread use of desktop spreadsheets for workforce activities and schedules: 21 percent of organizations use this personal productivity tool universally and more than half (52%) use it regularly. Spreadsheets can make it difficult to manage a workforce efficiently, as 42 percent of organizations admitted.

Spreadsheets are useful for a range of individual workforce management tasks but are not designed to support processes across business units or departments in an enterprise environment; they are prone to creating mistakes that increase risk and costs.

Majorities of participants said that applications to handle workforce processes should be easier to configure for deployment (61%), make it simpler to define, change or update activities and processes (56%), and more easily made to work with other systems (54%). As technology areas that are critical to improve the operations and performance of the workforce, participants most often cited collaboration (70%) and analytics (68%), followed by mobility (43%). The use of analytics is even more critical to those with management (vice president) titles (78%) than overall and in large companies with 1,000 to 10,000 employees (73%). To improve their workforce management effectiveness, organizations should adopt dedicated tools that deliver these technological advances.

Many are not satisfied with their workforce management systems, but few will change.

The complexity of managing a modern workforce is best addressed using flexible technology that can enable executives to maximize the effectiveness and efficiency of workers and managers. Yet this research finds few participants (only 7%) who are very satisfied with their workforce management systems and twice as many (15%) who are not. Moreover, more organizations are only somewhat satisfied with their system than are satisfied (42% vs. 37%). Clearly the systems in place today are not fully satisfying organizational needs or expectations.

Despite these feelings, however, only 7 percent plan to change the vendor of their system while 40 percent don't intend to. The research finds substantial uncertainty here: While almost one in five (18%) are considering change, more than one-quarter (27%) said they do not know whether change is in the offing. Among the small number of those that do plan to change vendors, two-thirds will do so because they are not satisfied with the current product's functionality. Another finding adds to the sense of uncertainty in organizations: Almost half (45%) said they need new worker or manager applications to improve productivity and results from the workforce; executives (55%) and management (vice presidents, 50%) are more insistent about needing new applications. Organizations should challenge themselves about the usefulness of their existing workforce management processes and systems and the value to be derived from deploying more effective systems.

Organizations benefit by integrating workforce and talent management systems.

This benchmark research reveals that just 30 percent of organizations use a dedicated talent management system for recruiting, performance, compensation and learning. Yet among those that use a dedicated workforce management system, 58 percent also use a dedicated talent management system. About as many (57%) said that it is important to integrate their workforce and talent management systems. We concur; doing so can make it easier to manage all such activities within the organization.

Recruiting also is becoming more technological, as organizations rely more on new Internet and social media methods for sourcing talent. The research identifies

Internet job boards as the most important category of social media sites (for 44% overall but 61% of management), followed by LinkedIn (25%). Here again the research finds combining new approaches is a trend: 44 percent of organizations that said LinkedIn is very important use a dedicated workforce management system. The research shows that complementary use of workforce management and talent management can help increase productivity in tasks ranging from recruiting to assigning activities to aligning the workforce to corporate goals.

Organizations increasingly view analytics as key to improving workforce management.

Research participants see a need for labor and workforce analytics. While only 30 percent have deployed such tools now, more than half (52%) plan to do so in the next year, a higher percentage than is the case for any other software related to workforce management. More than two-thirds (68%) said analytics is a key technology trend for helping to improve operations and performance, and nearly as many (61%) said they plan to improve their organization's workforce analytics capabilities. Executives were most emphatic (70%) about the need to improve workforce analytics and those in IT, who are not usually responsible for such analysis, were the least, with one-fifth indicating they do not need to improve.

The research also uncovers substantial lack of knowledge about workforce analytics; more than one-fourth of participants don't know whether their organizations plan to improve their capabilities, and one-third indicated no preference for how to make analytics tools available to the workforce. Among the more knowledgeable there is division on how to make tools available: 38 percent said they prefer them to be part of business intelligence deployments, and almost as many (35%) said they should be embedded in workforce management applications. Only 20 percent opted for having a dedicated analytics tool; it is not surprising that 60 percent of those participants do not have dedicated workforce management software in which analytics might be embedded or that 82 percent that prefer embedded analytics have a dedicated workforce management system. Whatever the specific approach chosen, the research makes clear that workforce analytics have become a priority for many organizations.

Specific workforce management capabilities match up with the roles of users.

A significant number (45%) of organizations said they need new applications to improve workforce management. But one size does not fit all; available software must serve the needs of a variety of the roles involved in workforce processes. The research finds that among higher-level management capabilities, more than half of participants identified as very important assigning goals and tasks to workers (56%), providing communication to resolve issues (52%), reviewing workers' performance (51%) and reviewing reports and analytics on labor and the workforce (51%). The ability to assign goals and tasks to workers ranks even higher in importance (64%) in very large organizations of more than 10,000 employees. When it comes to important applications and tools for workers, the focus shifts to gaining access to company and work information (very important for 75%), accessing training and learning classes (67%) and collaboration (63%). For those whose in operations or working as analysts, the top two very important capabilities were assembling information and reports and providing them to managers (59%) and developing and applying labor and workforce analytics and metrics (50%). For IT, the only capability

rated very important by as many as half the participants is to ensure secure access to applications and data (59%). The research finds that workforce management applications and tools are deployed to all roles, from front-line workers to executives, in roughly the same numbers, 22 to 28 percent. In the next year about one-fourth of midlevel managers, business analysts, management and front-line managers all will get new applications. The broad range of capabilities viewed as valuable illustrates how broadly workforce issues impact organizations and the importance of providing appropriate applications to assist in managing the many aspects.

The business case and software considerations for workforce management are evolving.

Improving workforce management requires investments in processes and systems. The research found compelling business reasons for making those investments. Cited most often were a demand for higher productivity from the workforce (by 63%), inconsistent execution (48%) and scattered information (44%). In planning a business case for investing in workforce management software, more than half of organizations named each of these as a business consideration: having the budget required for investment (63%), securing executive sponsorship (56%), reducing time for activities and tasks (54%), addressing audit and regulatory compliance needs (52%) and reducing the total cost of ownership (TCO) (51%). Among technology and vendor considerations for framing a business case, the most important were usability (very important to 81%), functionality (75%) and reliability (69%).

The largest percentage of organizations (42%) still prefer to access workforce management applications by installing them inside the organization (42%); fewer than half as many (19%) prefer on-demand software as a services (SaaS) accessible on the Internet, and another 12 percent want it hosted by the supplier. However, the second-largest group (27%) stated no preference, indicating an open mind on this evolving issue. Executives (52%) and IT (48%), predictably more cautious, prefer on-premises deployment more than the average. It is interesting that 44 percent of organizations that prefer on-demand access also use a dedicated workforce management system, suggesting that they work with it outside traditional IT management of software. A strong business case for investment should include business benefits and technology components to assure those who approve purchases that it will deliver value and improvement.

What To Do Next

Three-fourths of the participants in this benchmark research said that improving the productivity of the workforce is very important, and nearly half (48%) said this is one of their top three workforce management priorities in the next year. The same number placed aligning the workforce to business goals and objectives in the top three. Yet the research reveals much uncertainty as well. While half said they are confident or very confident (51%) that they are managing their workforces effectively, almost the same number said they are only somewhat confident or not confident (49%) . Also, more are only somewhat satisfied with their current workforce management system than are satisfied (42% vs. 37%). For organizations considering how to improve workforce management to further their business goals, we offer the following recommendations.

Assess the maturity of your organization in workforce management.

The Maturity Index analysis that is part of this research shows that most organizations have work to do to mature in their workforce management. Nearly three in five participating organizations belong in the two lowest of the four levels by which we rank maturity, and only one in 10 is at the highest Innovative level. More than half of organizations are in the lower half in all four dimensions in which we evaluate maturity. We find most maturity in the Technology dimension, in which significant numbers are looking into deploying workforce management on mobile devices and using collaboration to improve effectiveness; however, only small percentages have done this as yet. Participants are aware of the importance of the People dimension of workforce management but lag in bringing Process and Information to levels at which they can be fully useful. Consider your organization's status in each of these components and evaluate how to improve where it is weak. Our Maturity Index methodology can be a useful tool for evaluating in detail your organization's capabilities in workforce management.

Take a hard look at the software you use for workforce management.

The right technology can help organizations collect and use the information they need for workforce management and streamline their processes. Determine whether the tools you use help or hinder effectiveness here. Participants in this research are divided on how they feel about their system: 41 percent are satisfied or very satisfied with it, but as many (42%) are only somewhat satisfied, and 15 percent are not satisfied. More than 70 percent use desktop spreadsheets for workforce activities and schedules universally or regularly; 42 percent acknowledged that this tool makes it difficult to manage the workforce efficiently. Spreadsheets are prone to introducing errors that increase risk and costs; if your organization relies on them, consider adopting a dedicated workforce management system that provides more features, flexibility and safeguards. The research shows that organizations that have such a system are significantly more satisfied with it than are others that don't have one.

Decide whether change is necessary.

Only 7 percent of participants are very satisfied with their workforce management systems; twice as many (15%) are not. Yet only 7 percent plan to change the vendor of their system while 40 percent don't intend to. The research also finds uncertainty here: Almost one in five (18%) are considering change, and more than one-quarter (27%) said they do not know whether they'll change vendors. Half of executives and vice presidents said the organization needs new worker or manager

applications to improve productivity and results from the workforce. Systematically examine your workforce management systems and suppliers and decide whether you have the capabilities and support to manage your workforce effectively or need to acquire them.

Consider adding new capabilities that are now available.

This research shows that workforce management practices are evolving beyond traditional activities such as time and attendance and scheduling to take advantage of new technologies, particularly those that recently became popular in consumer markets. One-third of participants consider operation on smartphones and tablets an important capability in evaluating new technology to track employees' hours, and 43 percent consider mobility a key technology trend in improving operations and performance of the workforce. A full 70 percent consider collaboration a key trend. One-third to one-fourth of organizations plan to expand their use of workforce management software into new areas such as fatigue management, coaching, and learning and training in the next year. Any investigation of ways to improve the effectiveness of workforce management should include new features and deployment platforms and broadening the scope of what it can do.

Revisit the basics, such as methods for tracking time and attendance.

Core tasks such as monitoring employees' time and attendance remain fundamental, but the research shows that organizations are moving toward more advanced methods of handling this: 41 percent will examine new tools to track employees' hours in the next 12 to 18 months. While more than half (58%) currently use time clocks for employees to punch in and out, 44 percent have deployed performance-related software for time and attendance already and 28 percent more plan to deploy it in the next year. About one-third said smart cards, smartphones and tablets and biometrics are now important in this area. Making this basic task easier to accomplish can help your organization mature in workforce management.

Evaluate mobile capabilities and platforms for both workers and managers.

Mobile technology is becoming a critical delivery mechanism for workforce management. The research finds that almost half of organizations (46%) plan to add within one year mobile access for workers to punch in and out and perform other tasks (which 17% already do), and 40 percent will add mobile access for managers to do reviews and scheduling (as 20% already do). Within two years 88 percent of managers will have mobile access. Thus it should be a question of when, not if, you will deploy mobile workforce capabilities. Also consider which platforms make best sense for your organization. The research finds that RIM BlackBerry is present in the most organizations (61%), but Apple's iOS has reached half of organizations and Android nearly as many (45%). Organizations with the most employees, which likely have substantial BlackBerry investments, use that smartphone most, but those with the fewest employees most often use phones that run Android, the most affordable mobile operating system. Nearly three times as many participants (47%) prefer mobile applications operating in Web browsers that can be used on various devices as prefer those native to the OS. Survey users in all roles that will use the capabilities as you prepare to make decisions on this important advance.

Develop a strategy for collaboration in workforce management.

Collaboration is the most critical technology for improving workforce operations and performance, selected by 70 percent of research participants, and implementation is accelerating. In addition to 25 percent that have already deployed collaboration software to the workforce, 38 percent plan to do so within a year. The concept is not new, of course, and basic tools are already common in more than half of organizations, including sharing of folders and documents, instant messaging, videoconferencing and application sharing. To innovate will require other capabilities. Two-thirds now use or plan to use discussion forums, and social media that originated among consumers is making inroads: Twitter-like broadcasting or Facebook-like wall posting, now used in about one-fifth of organizations, will more than double. Collaboration has natural applications in workforce management, so don't delay in assessing how it can help advance your efforts.

Identify the business case for investing in workforce management.

Improving workforce management requires investing in processes and systems. To evaluate new investment, identify the issues to be dealt with and the benefits desired. The research reveals several compelling business drivers, foremost a demand for higher productivity from the workforce (cited by 63%) and problems with inconsistent execution (48%) and scattered information (44%). In developing a business case for investing in workforce management software, consider these factors, each cited by more than half of organizations: having the budget required for investment, securing executive sponsorship, reducing time for activities and tasks, addressing audit and regulatory compliance needs, and reducing the total cost of ownership (TCO).

Set clear requirements for prospective new tools.

Among the minority of participants that already plan to change vendors, two-thirds will do so because they are not satisfied with the current product's functionality. This also was among the three most important technology and vendor considerations for setting a business case: usability (81%), functionality (75%) and reliability (69%). Majorities of participants said that applications to handle workforce processes should be easier to configure for deployment, make it simpler to define, change or update activities and processes, and make it easier to work with other systems. The research shows that currently only about one-third of organizations use a dedicated workforce management system. Evaluate whether such tools can provide the capabilities you need in a cohesive manner.

Make sure that tools' capabilities suit the roles of your users.

Software must serve the variety of employee roles involved in workforce processes. The research undertook to determine which capabilities are most important for management, workers and analysts. At the top managerial level, majorities named assigning goals and tasks to workers; providing communication to resolve issues; reviewing workers' performance; and reviewing reports and analytics on labor and the workforce. For workers, the clear choices, named by two-thirds or more, were gaining access to company and work information, accessing training and learning classes, and collaboration. It is most important for analysts to assemble information and reports for managers and to develop workforce analytics and metrics. Workforce issues span the organization; assess the need for applications to assist in the many aspects and to produce a comprehensive approach to management.

Assess the role of analytics in improving workforce management.

In this research, two-thirds of participants said analytics is a key technology trend for helping to improve operations and performance, and nearly as many (61%) said they plan to improve their organization's workforce analytics capabilities; 70 percent of executives said improvement is needed. Determine where analytics capabilities can provide needed insight about your workforce processes. Because analytics typically provides input for other systems, decide on the best way for your organization to deploy them. In the research 38 percent said they prefer them to be part of business intelligence deployments, and almost as many (35%) said they should be embedded in workforce management applications; only 20 percent want a dedicated analytics tool.

Investigate the value of integrating workforce and talent management systems.

The research shows that, much as is the case for workforce management, just 30 percent of organizations use a dedicated talent management system for recruiting, performance, compensation and learning. Among those that use a dedicated workforce management system, 58 percent also use a dedicated talent management system. Doing so can make it easier to manage all workforce activities within the organization. Recruiting also is becoming more technological, using new Internet and social media methods for sourcing talent. The research shows that complementary use of workforce management and talent management can help increase the productivity of tasks ranging from recruiting to aligning the workforce to corporate goals. In your evaluation of dedicated workforce management tools also consider whether integrating one with your talent management system can provide a smoother, more comprehensive approach to the entire process.

How Ventana Research Can Help

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