The State of Workforce Management

Applying Human Capital Management Practices to Engage Workers

VENTANA RESEARCH

A Note About This Research

April 2017

Ventana Research performed this research to determine attitudes toward and utilization of workforce management for human capital 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 systems, practices, needs and potential benefits. It 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 workforce management for human capital management. Moreover, gaining the most benefit from a workforce management system requires an assessment of your organization's unique needs to identify gaps and priorities for improvement.

The full report with detailed analysis is available for purchase. We can provide detailed insights on this benchmark research and advice on its relevance through the Ventana On-Demand research and advisory service. Assessment Services based on this benchmark research also are available.

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 human capital management, and that the analysis and conclusions are entirely our own.

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Executive Summary

Historically workforce management has been centered on tracking time and attendance, absence and leave and interfacing with payroll processing. Today, as workforces become younger, more diverse and more globally dispersed, workforce management is being transformed. Employers must adapt how they schedule workers for shifts and manage them to address their demands for the flexibility they want to accommodate today's lifestyles and personal needs. Workers, too, are experiencing changes – in how they punch in and out of the workplace, for example, and how they access employment-related information including payroll, benefits, time off, company policies and even learning. Paying insufficient attention to the worker experience can undermine employees' sense of accomplishment and could result in a degradation of the customer experience.

> Forward-looking organizations are turning to a new generation of workforce management software that can help them engage workers.

The regulations governing workforces such as labor policies and payroll have changed as well. Organizations now are required to have up-to-date processing of data involving compliance with legislation such as the Fair Labor Standards Act (FLSA) and the Family and Medical Leave Act (FMLA) as well as state and local regulations.

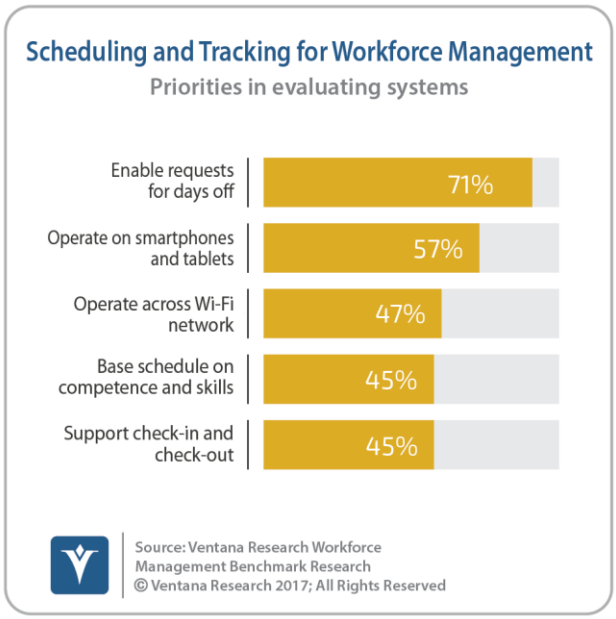
To meet these challenges forward-looking organizations are turning to a new generation of workforce management software that can help them engage workers and provide information through collaboration tools, mobile devices and social learning. For example, increasing use of various types of analytics is providing useful new insights on how to interact with workers, meet their needs and stimulate them to improve their performance on the job.

Ventana Research undertook this benchmark research to determine the attitudes, requirements and future plans of those who use workforce management systems and to identify the best practices of organizations that are most mature in it. We set out to examine both the commonalities and the qualities specific to major industry sectors and across sizes of organizations. We considered how organizations perform workforce management, issues they encounter in the process and how their use of workforce management and related technology is evolving.

More than one-third (36%) of organizations said that their most important priority for workforce management in the next year is to align the workforce to business goals and objectives; participants cited this as the top priority three times as often as any other option. The next two in importance are to improve efficiency of

workforce management processes (ranked first or second by 25%) and to increase productivity of the workforce (first or second for 24%). Regarding the last, more than two-thirds (69%) of organizations said it is very important to improve workforce productivity.

Tracking time and attendance remains a fundamental requirement of workforce management: 80 percent of organizations participating in this research use either time clocks or a time recording system to accomplish this. Time recording has progressed since our 2012 research, when only 58 percent were using time clocks or recording devices. However, satisfaction has not: In this research only about half (47%) of organizations said they are satisfied with their time clocks or recording devices. Moreover, half reported that they will consider new technologies to schedule and track employees' hours in the next 12 to 18 months.



In evaluating those new technologies, organizations most often identified as important capabilities the abilities to be able to request days off (71%), operate on smartphones and tablets (57%) and operate across a Wi-Fi network (47%). These represent a technology-mediated shift from 2012, when the most often cited capabilities were to provide access via a Web browser and support traditional check-in and check-out. Digital technologies thus are causing changes in even the most traditional aspects of workforce management.

The new research reveals a striking increase in the use of dedicated systems to support these activities. Close to two-thirds (63%) of organizations now use a dedicated workforce management system, and this is even more common in very large organizations as grouped by number of employees (80%) and annual revenue (92%). In our 2012 research, only one-third (32%) of all participants were using a dedicated system. In addition, slightly more than one-third now use a dedicated talent management system for salaried workers. Workforce management systems must align not only to business goals but also to other systems that share worker information, which include human resources and payroll management systems. In other research we have conducted, half (51%) of participants called it very important to integrate time and attendance with payroll.

Despite their prevalence the research finds that only about one-quarter (28%) of organizations are satisfied with their workforce management systems, almost the same percentage (30%) as those that are neither satisfied nor not satisfied or not satisfied with it. However, in the 2012 research more than half (57%) said they were somewhat satisfied or not satisfied; this comparison indicates greater satisfaction with systems as the number of organizations using them increases.

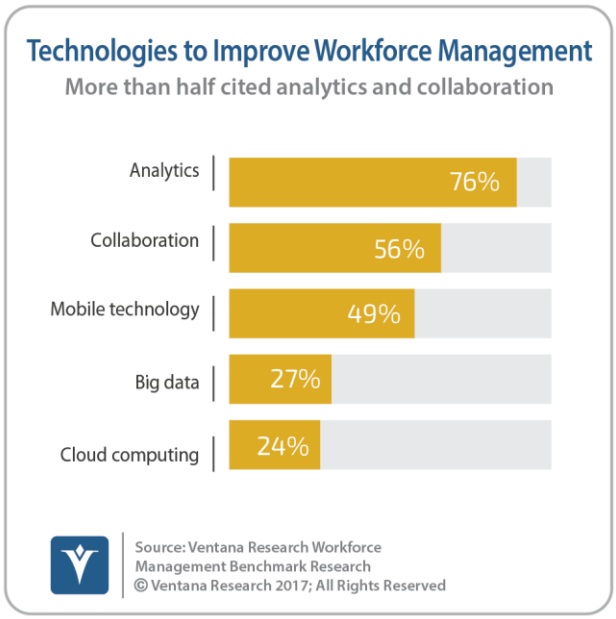
As noted earlier, worker productivity is an ongoing concern for management. A need for higher productivity (cited by 64%) is the issue most often driving organizations to consider further investment in workforce management software. In addition 43 percent said their organizations need new worker or manager applications to improve productivity and results from the workforce.

One key to increased productivity is enabling workers to improve their skills. In assessing capabilities of worker-related applications, research participants overwhelmingly (86%) identified access to training and learning classes as very important, selecting it nearly 30 percent more than any other choice and substantially more often than in our previous research (67%). Similarly, being able to assign training and learning classes is the workforce management capability cited as very important second-most often (by 42%).

Another important element in managing the workforce is compliance with a variety of regulations. The largest percentage (23%) of participants placed addressing audit and regulatory compliance needs first on their lists of the impediments that are important to address when building a business case for workforce management software. Reviewing audit and compliance exceptions is an important or very important operations and analyst capability for workforce management tools for 70 percent.

Combined, all aspects of employment produce enormous amounts of information, and managers and corporate management have to understand what it means for worker performance and productivity and business results as well as regulatory compliance.

Modern analytics tools are increasingly valuable as they guide decisions about what actions to take and policies to implement, and three-fourths (76%) of participants said that analytics is a critical technology for improving the operations and performance of the workforce. Again looking at operations and analyst capabilities, we find the two most often cited are assembling information and reports and providing them to managers and management (very important for 51%) and developing and applying labor and workforce analytics and metrics (40%). More than half (56%) of organizations said they have plans to improve their workforce analytics capabilities.



The second-most often cited technology for improving the operations and performance of the workforce in this research is collaboration (56%), and using it to engage workers and inspire them to perform better is now an established workforce management practice. Here again the research reveals the impact of next-generation systems. In our 2012 research, the types of collaboration most often planned for deployment were discussion forums (by 30%), broadcast or Twitter-like capabilities (29%) and application sharing (28%); today the top five being planned are social recognition for accomplishments (35%), discussion forums (31%) and earning badges or rewards, wall posting (as in Facebook) and broadcast capabilities (26% each). However, a small majority (52%) prefer to make these tools available to the workforce through Microsoft Office, which is a suite of personal productivity tools that can support advanced collaboration only in limited ways. A better option, we think, is the second-most popular choice: to embed collaboration in workforce management applications (chosen by 29%).

Ranked third (49%) among critical new technologies for improving the operations and performance of the workforce is mobility, particularly through smartphones (used in 61% of organizations) and tablets (44%). Most organizations prefer mobile applications to be browser based (47%); almost as many (43%) stated no preference, and only 10 percent said they prefer native apps. We note that Web browsers enable use across mobile platforms but can limit the user experience and direct access for proximity check-in and notification.

The demographics of the workforce are changing as older generations give way to younger ones at all levels. People have access to tools and communication capabilities only imagined a decade or so ago. Workforce management also is changing as leaders strive to connect with today's workers and engage and motivate them to perform their best in line with the corporate goals. Streamlining business processes requires wringing full value from the mass of information that

is available and taking advantage of innovations in workforce management systems. Successful organizations will be those that embrace opportunities to grow and evolve along with the people who work for them.

Key Insights

This benchmark research yielded the following important general findings and key insights regarding the state of workforce management systems used for human capital management. (We discuss performance levels in the Performance Index portion of the full research report; the actual questions asked in our survey are in an appendix to the research report. Specifics of organization sizes are in the appendix "About This Benchmark Research.")

Organizations are concerned about improving their performance in workforce management.

Our Performance Index analysis finds that the organizations participating in this research are distributed across the four levels of our workforce management performance hierarchy, with the largest concentration at the next-to-highest Strategic level. The smallest percentage (19%) rank at the top Innovative level, but nonetheless almost three in five (58%) rank in the top half in our analysis. The research finds that very large organizations as measured both by number of employees (27%) and by annual revenue (47%) rank as Innovative more often than smaller organizations do. Companies in the manufacturing sector (33%) reach the Innovative level more often than those in other industries; historically and because of the nature of their undertaking manufacturers have focused longer on workforce management. Analysis of the four dimensions into which we segment performance finds a similar distribution across the hierarchy. In the People and Technology dimensions the largest percentages (22% each) of organizations are Innovative. The Performance Index analysis thus finds a pattern of organizations modernizing their workforce management efforts and taking advantage of new technologies to increase the effectiveness of workforce processes.

> The Performance Index analysis finds a pattern of organizations modernizing their workforce management efforts with new technologies.

Improving workforce management processes usually requires prioritization. More than one-third (36%) of organizations said that their most important priority for workforce management in the next year is to align the workforce to business goals and objectives; participants cited this as the top priority three times as often as any other option. One in 10 said their most important priority is to improve efficiency of workforce management processes, increase productivity of the workforce, improve margins and profitability, or comply with audit and regulatory requirements; another 10 to 15 percent put these in second place. These priorities have not changed much since our workforce management benchmark research in 2012, when the top three were to align the workforce to business goals and

objectives, increase productivity of the workforce and improve efficiency of workforce management processes.

More than two-thirds (69%) of organizations said it is very important to improve workforce productivity, with very large organizations saying this even more often (79% when measured by number of employees and 87% when measured by annual revenue) . Among industry sectors, organizations in finance, insurance and real estate (93%) said it is very important much more often than others. The largest percentage (43%) of organizations said they are confident that they manage the workforce effectively, but only 7 percent said they are very confident of that. The remaining half of participants said they are only somewhat confident (38%) or not confident (13%).

> The new research reveals a striking increase in the use of a dedicated system to support the activities of workforce management.

The new research reveals a striking increase in the use of a dedicated system to support the activities of workforce management. Close to two-thirds (63%) of the organizations participating in this research now are using a dedicated workforce management system, and this is even more the case for very large organizations by employees (80%) and revenue (92%). In our 2012 research, only one-third (32%) were using a dedicated system. In addition, slightly more than one-third (37%) now use a dedicated talent management system for salaried workers, led again by very large organizations by employees (58%) and especially by revenue (83%). More than four out of five (83%) organizations said it is important to integrate workforce management and talent management systems. Workforce management systems must facilitate administration of the workforce and align not only to business goals but also to other systems that share worker information. In this regard the new research finds progress among organizations.

Satisfaction with workforce management systems has room for improvement.

The research finds that only about one-quarter (28%) of organizations are satisfied with their workforce management systems, about the same percentage as those that are neutral, neither satisfied nor not satisfied (16%), or not satisfied (14%). Very large ones by employees (33%) and by revenue (40%) most often are satisfied while midsize organizations by employees (24%) and by revenue (21%) are least often satisfied. Compared to our workforce management benchmark research in 2012, satisfaction has generally improved; then, more were somewhat satisfied (42%) or not satisfied (15%).

With 70 percent satisfied or somewhat satisfied, it is not surprising that the largest percentage (36%) do not plan to change their workforce management vendor in the next 12 to 18 months. But 7 percent will change, and an additional 22 percent are considering making a change. As to the nature of that change, those in the services industry sector (33%) most often plan to upgrade to their vendor's latest version while manufacturing (13%) and government, education and nonprofits (12%) most often plan to change vendors. Compared to our research in 2012, the percentage considering change is similar (18%), and the same percentage (7%) will make a change. Asked why they are planning to change vendors, 60 percent each said they will do it because they need systems to operate more quickly and aren't satisfied with the current functionality. In 2012, the issue that loomed largest in driving change was a lack of satisfaction with current product functionality (68%), while 40 percent cited the need to operate more quickly.

> Organizations said that workforce management software needs improvement in a variety of areas, led by speed and functionality.

In addition to these two complaints, organizations said that workforce management software needs improvement in the following areas: easier configuration for deployment (cited by 75%); easier migration of data from or synchronization to existing systems (56%); better-trained resources from software providers (56%); easier definition, change or updating of workforce-related activities and processes (40%); and better-trained resources from consulting firms to support deployment (30%). Our 2012 workforce management research yielded a similar list: easier configuration of software for deployment (75%); simpler definition, change or updating workforce-related activities and processes (54%); easier migration of data from or synchronization to existing systems (54%); better-trained resources from software providers to support deployment (41%); and better-trained resources from consulting firms to support deployment (25%). We conclude that organizations are conservative about changes to workforce management software despite relatively low levels of satisfaction.

Selection of new workforce management systems requires assessment of needs.

This research finds operational issues that are leading organizations to consider further investment in workforce management software. The issue most commonly cited is a need for higher productivity (64%), followed by inconsistent execution (44%) and scattered information (39%). Better productivity is a particular concern for very large organizations by revenue (87%); interestingly, though, they are concerned about inconsistent execution (27%) and scattered information (13%) less often than average. Among industries, services companies most often cited a

need for higher productivity (73%), and manufacturing focused on inconsistent execution (62%). The demand for higher productivity is reflected in the finding that 43 percent of participants placed increasing the productivity of the workforce first or second among their considerations in establishing a business case for workforce management software. Addressing audit and regulatory compliance most often ranked first, cited by 23 percent, and the budget allocation required for investment ranked in the top three for 40 percent. Priorities have shifted in the last five years; in our 2012 research, the top three business considerations in constructing an RFP were the budget allocation, executive sponsorship and reducing time for activities and tasks.

> Projected users for new applications over the next two years are business analysts (40%), midlevel managers (37%) and front-line workers (35%).

We asked participants whether their organizations need new worker or manager applications to improve productivity and results from the workforce. The largest percentage (43%) said yes, while 32 percent said they don't know whether such applications are needed and 25 percent said they don't need them. When we set aside those who said they don't know, manufacturing companies (83%) most often said they need new applications, compared to 67 percent overall. The projected users for new applications over the next two years are business analysts (40%), midlevel managers (37%) and front-line workers (35%). In our 2012 research, the top three user roles over the following two years were midlevel managers (40%), business analysts (38%) and front-line workers (37%). In evaluating technology vendors and products for workforce management, the categories of criteria most often considered very important are usability (by 70%), reliability (69%) and functionality (63%). These are the same top three as in our 2012 research, in slightly different order: usability (81%), functionality (75%) and reliability (69%). Clearly usability should be a major focus of any selection process for workforce management.

In deploying workforce management software the largest percentage of organizations prefer to do so on-premises (41%). One-quarter (24%) said they favor deployment in a private cloud, 12 percent said they prefer a public cloud, and 9 percent prefer a deployment hosted by the supplier; 14 percent expressed no preference. Not surprisingly, IT participants more often favor on-premises (53%) than do business users (36%), who favor all the other options more often than IT. Very large (54%) and small (50%) organizations by number of employees most often prefer on-premises. The on-premises approach most often appeals to companies in the finance, insurance and real estate industry sector (79%); in manufacturing the same percentage (23%) each chose on-premises, private cloud and public cloud. Our 2012 research found similar responses for on-premises (42%), but software as a service in private and public clouds (19%) was lower

and hosting (12%) was similar. In our experience, organizations' preference to control the applications themselves often reflects a lack of knowledge of the benefits of alternative approaches.

Spreadsheets are inadequate tools for workforce management.

Despite the wide availability of workforce management applications, many organizations use spreadsheets extensively to manage and track workforce activities. The research finds that more than two-thirds of participating organizations use spreadsheets for workforce management universally (23%) or regularly (46%); many fewer use them occasionally (21%) or rarely or never (9%). Very large organizations by employees (31%) and by revenue (33%) use them universally more often than smaller organizations. By industry sector, manufacturing (46%) most often uses spreadsheets universally, while finance, insurance and real estate (7%) seldom does.

More than half (55%) of participants acknowledged that the use of spreadsheets makes it difficult to manage the workforce efficiently. Large organizations by employees (75%) and by revenue (76%) most often said this, as did the manufacturing industry sector (81%). In our 2012 research, fewer (42%) organizations said this about their use of spreadsheets. These findings underscore the problematic nature of spreadsheet use, which can impede attempts to improve workforce management.

Regulatory compliance is a critical requirement for workforce management processes.

Organizations must comply with a variety of workforce-related regulatory requirements, and the research suggests this isn't easy to do. Participants most often placed addressing audit and regulatory compliance needs (23%) first on their lists of the impediments that are important to address when building a business case for workforce management software. Furthermore only about one-third (36%) said they are satisfied with the configuration and compliance capabilities of their workforce management systems; most said they are somewhat satisfied (45%), while 10 percent declared themselves not satisfied. Satisfaction with the capabilities of the software is highest in very large organizations by revenue (42%) and in the services industry (42%). When asked about specific regulatory and compliance requirements, more than half of organizations said it is very important for workforce management software to handle three of them: the Fair Labor Standards Act (FLSA, 54%), the Family Medical Leave Act (FMLA, 52%) and the Affordable Care Act

> Regulatory compliance is important to address when building a business case for workforce management software.

(ACA, also 52%). The complexity of these statutory requirements and the need to dynamically track and process compliance are good reasons to embrace a dedicated approach to workforce management.

Tracking time and attendance is a fundamental requirement of workforce management.

One of the central capabilities of workforce management software is the ability to track time worked. Traditionally time worked was tracked through time clocks. The research finds that 80 percent of participating organizations currently use either time clocks or a time recording system; services organizations use them more (95%) than the average. Time recording has progressed since our 2012 research, when only 58 percent were using time clocks or recording devices. However, in this research only about half (47%) of organizations said they are satisfied with their time clocks or recording devices. Manufacturing organizations are not as often satisfied (38%) as service companies (54%) with time clocks and recording systems. Moreover, half of organizations reported that in the next 12 to 18 months they will consider new technologies to schedule and track employees' hours.

> In this research only about half (47%) of organizations said they are satisfied with their time clocks or recording devices.

In that consideration, the capabilities most often called important are to be able to request days off (for 71%), operate on smartphones and tablets (57%), operate across a Wi-Fi network (47%), schedule based on competencies and skills (45%) and support conventional check-in and check-out tasks (45%). Here we find a shift from 2012, when the most often cited priorities were to provide access via a Web browser (48%), support traditional check-in and check-out (46%) and operate across a Wi-Fi network (44%). This shift indicates the impact of mobile devices in recent years and their increasing role in how time is tracked.

Learning and skills development is a required component of workforce management.

For the value of the workforce to increase, workers must be able to adapt and improve their skills. In assessing capabilities of worker-related applications, research participants overwhelmingly identified access to training and learning classes (86%) as very important, selecting it nearly 30 percent more than any other choice. In our 2012 research this was second on the list of most important capabilities (cited by 67%). Having direct access to learning provides opportunities for workers to improve their performance during their time at work. Knowledge of individuals' competencies can be utilized to schedule the workers who are most

ready to take on specific tasks. In the research, being able to schedule based on competencies and skills is one of the top five capabilities important to evaluating workforce management technology (cited by 45%). With competency information, managers can base training and learning on the reported skill levels of their workers as well as on their own observations. Being able to assign training and learning classes is the second-most often cited very important capability for workforce management (42%). In these various findings the research confirms that training and learning capabilities should be a priority for organizations' workforce management deployments.

Analytics remains a top priority for workforce management.

Analytics helps organizations create the metrics and information that inform workforce decisions. The largest percentage (76%) of participants said that analytics is a critical technology for improving the operations and performance of the workforce. Even more very large organizations by employees (84%) said this. This is a shift from our 2012 workforce management research, in which collaboration (70%) outpolled analytics (68%). Among organizations planning deployments of performance-related workforce management software within the next two years, the area of greatest interest is labor and workforce analytics (by 66%), up slightly from 61 percent in 2012. For the most important operations and analyst capabilities of workforce management applications, the top two areas of focus are assembling information and reports and providing them to managers and management (very important for 51%) and developing and applying labor and workforce analytics and metrics (40%). These also were the top two in 2012. Supporting reporting and analytics for workforce management (42%) ranks third among very important IT capabilities.

> More than half (56%) of organizations said they have plans to improve their workforce analytics capabilities.

More than half (56%) of organizations said they have plans to improve their workforce analytics capabilities. When making analytic tools available to the workforce, the largest percentage (43%) of organizations prefer to embed the tools in workforce management systems; others want analytics to be part of business intelligence deployments (32%), but nearly as many (31%) expressed no preference. Business users indicated more often than did those in IT that they want analytics embedded in workforce management (47% vs. 27%). Very large companies by revenue (60%) opted most often to embed analytics. In our 2012 research, participants cited being part of BI deployments more often (38%) than being embedded in workforce management applications (36%). We conclude that analytics should be readily available with workforce management systems and the processes they support.

Collaboration is critical to workforce management processes.

To improve workforce operations and performance, collaboration is the area cited second-most often (56%) in this research, after being the most often cited (68%) in our 2012 research. Among types of workforce management software planned for deployment within two years, tools to enable collaboration across the workforce rank second (cited by 54%). The three most common types of collaboration capabilities used today for workforce management are shared folders (by 86%), videoconferencing (69%) and instant messaging (66%). However, the areas for collaboration most often planned for deployment are social recognition for accomplishments (35%), discussion forums (31%) and three each at 26 percent: earning badges or rewards, wall posting (as in Facebook) and broadcast or Twitter-like capabilities. In our 2012 research, the most widely cited were discussion forums (30%), broadcast capabilities (29%) and application sharing (28%); the difference reflects the rise of capabilities that were not available then.

> Using collaboration to engage workers and inspire them to perform better is now an established workforce management practice.

Collaboration facilitates direct communication among individuals and teams and can enable more interaction of workers with managers. Using collaboration to engage workers and inspire them to perform better is now an established workforce management practice. To make these tools available to the workforce the primary preference is through Microsoft Office (52%), followed by being embedded into workforce management applications (29%); these preferences are largely unchanged from our 2012 research. We caution that adopting new types of collaboration is not possible in more than a limited way within Microsoft Office and thus organizations should consider how else they can support advanced collaboration.

Mobile access is a high priority for workforce management.

The research shows that new applications and technology for workforce management are needed across a variety of roles, particularly midlevel managers (37%), front-line managers (35%) and front-line workers (36%). Most of them will want applications that operate on mobile devices. For participants in this research, mobility is the third-most very important technology to improve the operations and performance of the workforce (cited by 49%). The types of mobile devices most often deployed to the workforce are smartphones (61%), tablets (44%) and netbooks (39%), and the largest percentages of organizations plan to deploy or deploy more tablets (31%) and smartphones (20%); this was a similar priority for planned deployments in our 2012 workforce management research.

The mobile operating systems most often deployed are Apple iOS (77%), Google Android (46%) and Microsoft Windows Mobile (35%). In 2012 RIM BlackBerry was the one most in use (by 61%), followed by iOS (50%) and Android (45%). Most organizations prefer mobile applications to be browser-based (47%); almost as many (43%) stated no preference and only 10 percent said they prefer native apps. The preference for Web browser apps is strongest in small and midsize organizations. In contrast, the very large by employees (29%) and revenue (36%) use the Web browser platform less often than the average of all sizes (47%). In our 2012 research, similar responses were provided for the Web browser (47%), no preference (37%) and native (16%). A Web browser enables use across mobile platforms but can limit the user experience and direct access to the mobile technology for proximity check-in and notification. But whatever the details, mobile technology is a critical component of workforce management.

10 Best Practice Recommendations

This benchmark research reveals significant new insights into the evolving nature and use of workforce management processes and systems. For organizations considering how to optimize the performance of their workforce, we offer the following recommendations.

1. Set your organization's workforce management priorities.

More than one-third (36%) of organizations said that their most important priority for workforce management in the next year is to align the workforce to business goals and objectives. More than two-thirds (69%) said it is very important to improve workforce productivity. Elicit consensus on the most important issues to address in both the near and long terms, and then identify changes to people, processes, information and technology that will enable resolving them.

2. Reevaluate the systems used for workforce management.

Close to two-thirds (63%) of the organizations in this research now use a dedicated workforce management system. That's twice as many as in our research in 2012. Yet this research also finds that only about one-quarter (28%) are satisfied with their workforce management systems. Examine how well your organization's current system assists in managing toward goals for the workforce, and consider making changes if it poses impediments to achieving them.

3. Look for systems that are easy to use.

The issue leading the largest percentage of organizations (64%) to consider further investment in workforce management software is a need for higher productivity. The most often projected users for new applications over the next two years are business analysts, midlevel managers and front-line workers. Today's users want tools that make it easy for them to do their jobs, and usability is the highest-rated criterion for evaluating software. Investigate systems that facilitate productive work by all types of roles.

4. Curtail use of spreadsheets for workforce management.

More than two-thirds of participating organizations use spreadsheets for workforce management universally or regularly. Yet most (55%) said that using them makes it difficult to manage the workforce efficiently. Spreadsheets are prone to errors and inconsistencies, and they're likely to create barriers to productivity among both workers and managers. Take steps to minimize their use in the critical processes of workforce management.

5. Ensure that regulatory compliance is a focus of workforce management.

The research indicates that it isn't easy to comply with all the various regulatory requirements related to the workforce. Organizations should tackle this challenge head-on. The most participants put addressing audit and regulatory compliance first on the list of elements in building a business case for workforce management software. The complexity of these statutory requirements and the need to dynamically track and process compliance are good reasons to adopt a dedicated system.

6. Don't neglect the fundamental aspects of tracking time and attendance.

Four out of five organizations in this research use time clocks or a time recording system. However, fewer than half said they are satisfied with these approaches, and more than half said they will consider new technologies to schedule and track employees' hours. Modern systems operate on smartphones and tablets and across Wi-Fi networks and can make it easier to request days off and schedule based on competencies and skills: These are the top five features participants want. Assess how your existing tools and new ones can improve this essential function.

7. Integrate learning and skills development with workforce management.

Access to training and learning classes (cited by 86% of research participants) was an overwhelming choice among important capabilities of worker-related applications. Providing it enables workers to improve their skills and productivity, and by connecting it to scheduling, managers can assign specific tasks to those who are most ready to do them. Take advantage of systems that link learning to workforce performance.

8. Use analytics to enlighten workforce management.

Three out of four organizations said that analytics is a critical technology for improving the operations and performance of the workforce. In particular 69 percent have deployed labor and workforce analytics or plan to do so within a year. Analytics helps organizations create the metrics and information that inform decisions about the workforce. Investigate how to make use of it in convenient ways, such as embedded in workforce management or business intelligence systems.

9. Add collaboration to enhance workforce management.

New technologies have made it easier than ever for workers to collaborate with each other and their managers. More than half of research participants said they will deploy tools to enable collaboration across the

workforce within two years. It's a good way for workers to tap the knowledge of others and solve problems quickly. New forms of collaboration also can engage and motivate workers – for example, social recognition for accomplishments, Facebook-like wall posting and Twitter-like broadcasting, each of which more than one in four organizations intend to do. Evaluate these and other popular new approaches.

10. Make mobile access a high priority.

There's no doubt that workers and managers all rely on mobile devices in both private life and work. Half of research participants said mobile technology is very important to improve the operations and performance of the workforce. It can make workforce management systems widely available and the information they contain more immediately useful. Make mobile access a requirement of any new systems your organization considers adopting.

About Ventana Research

Ventana Research is the most authoritative and respected benchmark business technology research and advisory services firm. We provide insight and expert guidance on mainstream and disruptive technologies through a unique set of research-based offerings including benchmark research and technology evaluation assessments, education workshops and our research and advisory services, Ventana On-Demand. Our unparalleled understanding of the role of technology in optimizing business processes and performance and our best practices guidance are rooted in our rigorous research-based benchmarking of people, processes, information and technology across business and IT functions in every industry. This benchmark research plus our market coverage and in-depth knowledge of hundreds of technology providers means we can deliver education and expertise to our clients to increase the value they derive from technology investments while reducing time, cost and risk.

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Appendix: About This Benchmark Research

Methodology

Ventana Research conducted this benchmark research on the Web May through July 2016. 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 a critical component of every organization's human capital management efforts, required to effectively manage hourly employees and project-based labor. Scheduling and tracking of work and time off should be seamlessly managed, but the systems in use also should be easy for workers to use across the organization. A new generation of these workforce management systems offers features previously available only in talent management applications but that should be applied to all workers, in particular those who are paid hourly. This benchmark research will assess how organizations are modernizing their approaches to workforce management and developing best practices to use these systems to empower workforces and streamline processes for managing them.

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 the findings of this benchmark research to support their organization's efforts, along with a $5 Amazon.com gift certificate. In addition, all qualified participants will be entered into a drawing to win one of 25 benchmark research reports and a 30-minute consultation, a package 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 spreadsheets across organizations and industries. Qualification to participate was presented to participants as follows:

The survey for this benchmark research is designed for executives, management, managers and workers across businesses along with those in IT managing technology deployments related to workforce management. Solution providers, software vendors, consultants, media and systems integrators may participate in the survey, but they are not eligible for 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

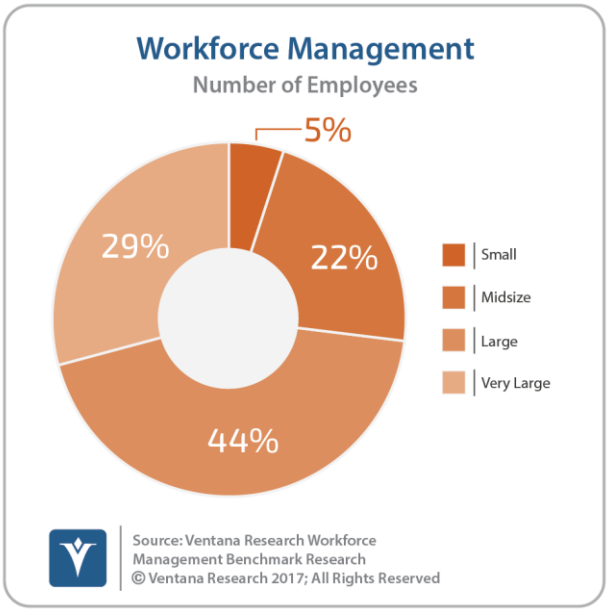
including company name and company email address that can be used for fulfillment of incentives.

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

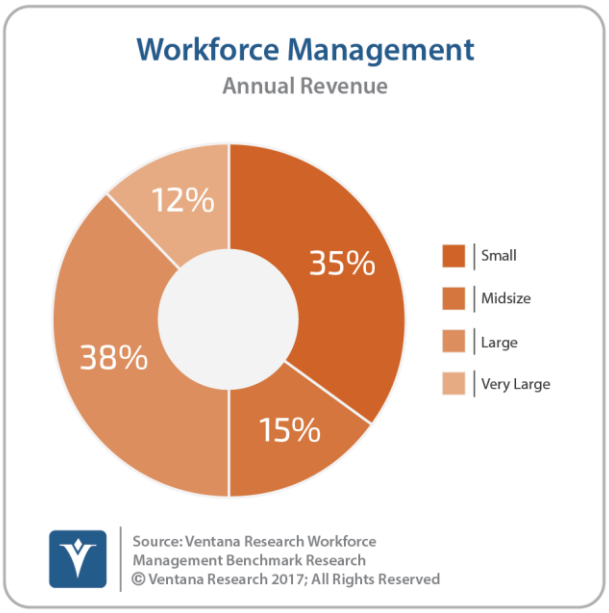
We designed the survey used for this research to be answered by executives and managers across a broad range of roles and titles working in organizations. We deemed 152 of those who clicked through to this survey to be qualified to have their answers analyzed in this research. In this report, the term "participants" refers to that group, and the charts in this section characterize various aspects of their demographics and qualifications.

Company Size by Workforce



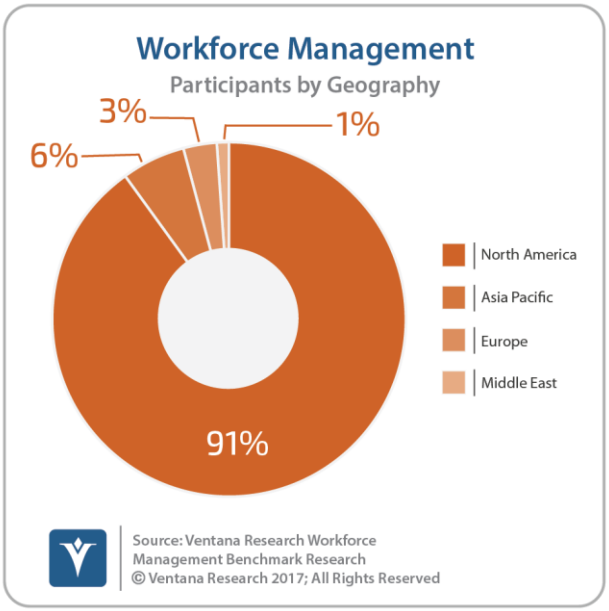
We require participants to indicate the size of their entire company. Our research repeatedly shows that size of organization, measured in this instance by employees, is a useful means of segmenting companies because it correlates with the complexity of processes, communications and organizational structure as well as the complexity of the IT infrastructure. In this research, participants represented a broad range of organization sizes: 29 percent work in very large companies (having 10,000 or more employees), nearly half (44%) work in large companies (with 1,000 to 9,999 employees), 22 percent work in midsize companies (with 100 to 999 employees), and 5 percent work in small companies (with fewer than 100 employees). This distribution is consistent with prior benchmark research and our research objectives and provides a suitably large sample from each size category.

Company Size by Annual Revenue



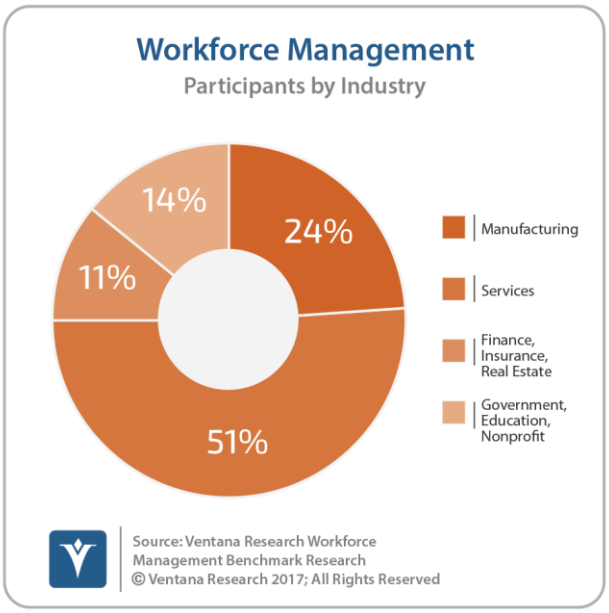
When we measured size by annual revenue, the distribution of categories shifted downward; fewer companies fell into the three largest categories and a great many more are small. By this measure, 17 percent fewer are very large companies (having revenue of more than US$10 billion), 6 percent fewer are large companies (having revenue from US$500 million to US$10 billion), 7 percent fewer are midsize companies (having revenue from US$100 to US$500 million), and 30 percent more are small companies (with revenue of less than US$100 million). This sort of redistribution is typical in our research projects when we measure by revenue instead of head count.

Geographic Distribution



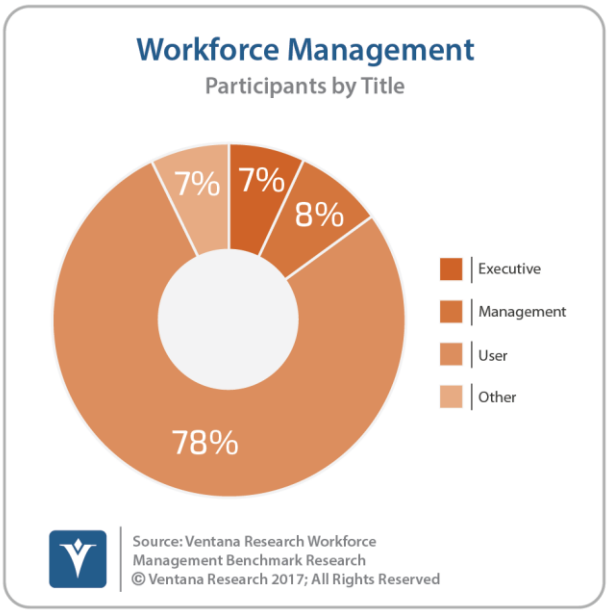
A large majority (91%) of the participants were from companies located or headquartered in North America. Those based in Asia Pacific accounted for 6 percent, in Europe for another 3 percent and in the Middle East for 1 percent. This result was in keeping with our expectations at the start of this investigation, since organizations participating in our research most often are headquartered in North America. However, many of these are global organizations operating worldwide.

Industry



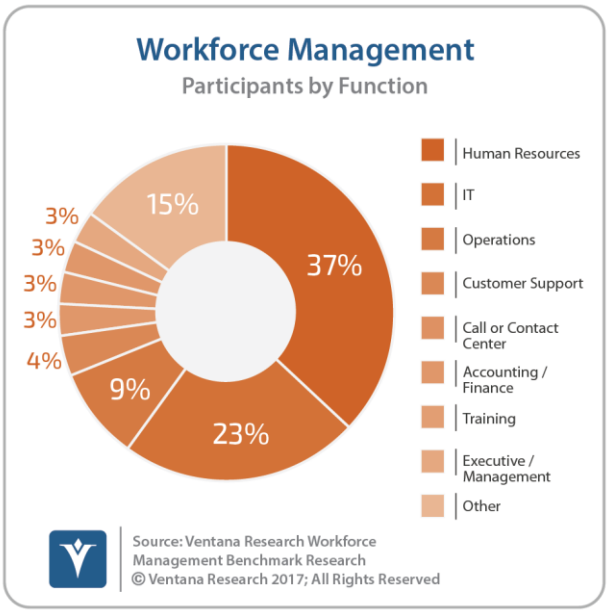
The companies of the participants in this benchmark research represented a broad range of industries, which we have categorized into four general categories as shown below. Companies that provide services accounted for half (51%), and those in manufacturing accounted for one-fourth (24%). Government, education and nonprofit organizations accounted for 14 percent, and companies in finance, insurance and real estate accounted for 11 percent.

Job Title



We asked participants to choose from among 13 titles the one that best describes theirs. We sorted these responses into four categories: executives, management, users and others. More than three-fourths identified themselves as having titles that we categorize as users, a grouping that includes director (26%), senior manager or manager (27%), analyst (147%) and staff (11%). Only 15 percent are executives (7%) or management (vice presidents, 8%). Others, in this case consultants, accounted for the balance. 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. More than one-third of the participants identified themselves as being in human resources, and about one-fourth work in IT. Another 9 percent work in operations. A total of 16 percent work in various other business units, and 15 titles, none with more than 2 percent of the total, comprised the Other category.

