

Workforce Scheduling 2011

Automation Drives Accuracy, Efficiency, and Business Outcomes

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~ Underwritten, in Part, by ~



Executive Summary

This report, based on data from more than 200 organizations, builds on Aberdeen's previous research by examining how Best-in-Class organizations leverage workforce scheduling capabilities and technologies to impact organizational goals. Analysis of survey data, collected in February and March of 2011, **builds the business case for automation, empowering employees through shift bidding/swapping, and taking advantage of scheduling optimization tools.** Best-in-Class organizations are able to balance the need to manage compliance and headcount costs against employee engagement and manager productivity. The study also shows that scheduling accuracy is critical for organizational success.

Best-in-Class Performance

Aberdeen used the following three key performance criteria to distinguish Best-in-Class companies:

- 90% scheduling accuracy (defined as the percent of schedules that don't require manager modification after creation)
- 11% year-over-year improvement in customer satisfaction
- Only 4% of total overtime costs were unplanned

Competitive Maturity Assessment

Survey results show that the firms enjoying Best-in-Class performance shared several common characteristics, including:

- Standardizing the workforce management processes across the entire organization through automation
- Aligning employee work schedules based on workload, business demand, census, etc.
- Gaining executive buy-in for the impact of scheduling on business objectives

Required Actions

In addition to the specific recommendations in Chapter Three of this report, to achieve Best-in-Class performance, companies must:

- Standardize and automate the employee scheduling process
- Clearly define issue escalation process regarding schedule issues
- Define metrics against which employee scheduling processes are measured
- Regularly review the impact of scheduling on key business metrics

Research Benchmark

Aberdeen's Research Benchmarks provide an in-depth and comprehensive look into process, procedure, methodologies, and technologies with best practice identification and actionable recommendations

How Does Your Performance Compare to the Best-in-Class?



- Compare your processes
- Receive a free, personal PDF scorecard
- Benefit from custom recommendations to improve your performance, based on the research

[Take the Assessment](#)

Receive Your Free Scorecard

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Chapter One: Benchmarking the Best-in-Class

Business Context

Data from Aberdeen's August 2010 study on [core HR functions](#) showed that 60% of organizations are driven by economic and competitive circumstances to control labor costs, especially as it relates to deploying hourly and contingent workforces. The same analysis revealed that HR staff continue to be challenged by the time and effort spent on manual processes, which was consistent with previous studies. This not only hinders HR's ability to be more strategic, but also prevents decision makers from leveraging key data to drive business performance. In order to address these issues, eight in 10 Best-in-Class organizations in core HR management indicated their top action is to continue to automate manual processes, including scheduling, timekeeping, and leave management.

In February and March, Aberdeen studied more than 200 organizations across the globe to determine if automation of scheduling processes and empowering managers and employees through visibility into workforce data enable an organization to optimize labor costs, reduce risks, and maximize revenues. The goal of the study is to provide a roadmap that balances deploying a workforce that maximizes business outcomes against payroll budgets and overtime costs.

Pressures and Challenges

Unlike other HR processes, the primary stakeholder in a workforce management process is the operational unit (i.e. managers usually create the schedules for their teams). These business leaders operate under a simple formula: maximize revenue and minimize costs. As this formula makes its way to the frontlines, the drivers do not change. Managers are tasked with deploying their resources to the right place at the right time in accordance to payroll budget and with adherence to regulatory and / or union mandates.

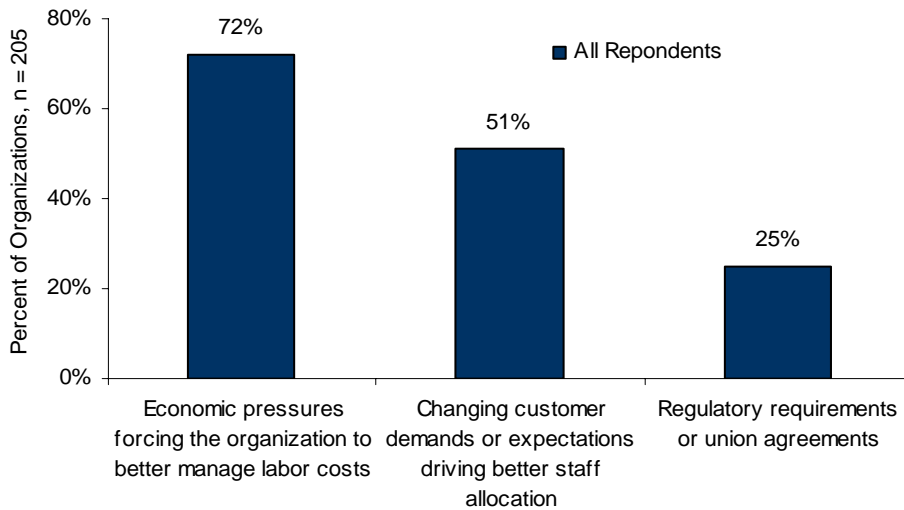
Looking at the pressures driving organizations to focus on workforce management, it became clear that the economic landscape is still forcing cost control through more optimized deployment. Another pressure that was cited by two thirds of the sample was changing customer expectations that demand staff be deployed effectively to ensure better service or output. These findings are consistent with data from the August 2010 study, [The Future of Core HR](#), which found that the economy and the overall competitive landscape overwhelmingly topped the list of pressures driving overall investments in HR functions. In short, businesses are looking to workforce optimization efforts to improve process efficiency and staff deployment strategies while ensuring alignment with revenue goals and business objectives.

Fast Facts

Top two challenges organizations seek to address with workforce management investments:

- √ Lack of standardization / inconsistent processes and workflows between locations or business units - **63%**
- √ Inability of business leaders to leverage HR / workforce data to make better operational decisions - **62%**

Figure 1: Top Pressures Driving Workforce Management



"Our scheduling system adequately addresses the challenges being confronted while simplifying the process by leveraging technological tools to gain efficiencies."

~ HR Manager, NGO

Respondents were asked to select top two. Source: Aberdeen Group, March 2011

With respect to internal challenges that organizations seek to address with their scheduling, the data validates what we have found in previous research, which was consistent with what we heard from our March 2011 [HCM Executive Summit](#) attendees: lack of process and policy standardization across the enterprise, and the inability of business leaders to leverage HR / workforce data to drive better operational outcomes are the top barriers to efficiency and business alignment.

The Maturity Class Framework

For workforce scheduling, Aberdeen used three key performance criteria to distinguish the Best-in-Class from Industry Average and Laggard organizations. The three metrics reflect an organization's ability to control cost, improve efficiency, and impact business outcomes:

- **Unplanned overtime cost:** Some overtime is expected and even budgeted for, and in some organizations overtime is necessary. However, unplanned costs due to unpredictable schedules can derail a budget. Aberdeen uses the percentage of total overtime costs that was unplanned as an indicator of scheduling accuracy and maturity. In some industries, such as healthcare, this metric may include agency / staffing costs as a result of unavailable resources needed to meet business requirements.
- **Scheduling accuracy:** When it comes to efficiency and the burden on the operational manager, modifying schedules after creation to account for policy violations, approved employee requests or errors can be very time consuming. Scheduling accuracy is critical to maximize a manager's time for and attention to the core competencies of the business. For this metric, the survey

asked respondents to indicate the percentage of schedules that require modification after being created - whether those schedules were created by an automated system or manually.

- **Customer satisfaction:** As shown in Figure 1, the second most pressing driver behind workforce management efforts is the need to deploy the right resources in front of the right customer or to competently produce a product that meets consumer demands and expectations. In fact, data collected in November and December 2010 as part of the *2011 HR Executive's Agenda* study revealed that customer satisfaction is a top three metric organizations use to assess workforce management efforts - cited by 44% of the sample. After all, cost savings and efficiencies only matter if they also allow you to achieve business outcomes.

Table 1: Top Performers Earn Best-in-Class Status

Definition of Maturity Class	Mean Class Performance
Best-in-Class: Top 20% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ 90% scheduling accuracy (defined as % of schedules that don't require manager modification after creation) ▪ 11% year-over-year improvement in customer satisfaction ▪ 4% of total overtime costs were unplanned
Industry Average: Middle 50% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ 86% scheduling accuracy (defined as % of schedules that don't require manager modification after creation) ▪ 4% year-over-year improvement in customer satisfaction ▪ 10% of total overtime costs were unplanned
Laggard: Bottom 30% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ 69% scheduling accuracy (defined as % of schedules that don't require manager modification after creation) ▪ Experienced no change in customer satisfaction ▪ 37% of total overtime costs were unplanned

Source: Aberdeen Group, March 2011

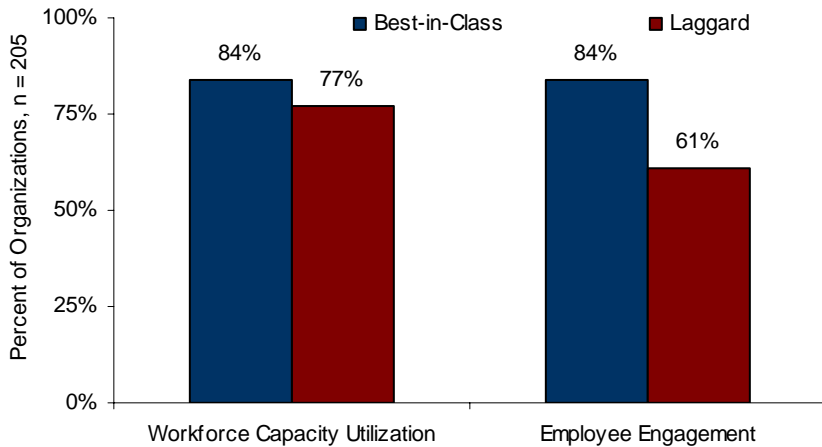
Other Metrics

Adherence to collective bargaining agreements and **compliance** with federal regulations are important factors to track the effectiveness of workforce management strategies. As shown in Figure 1, a quarter of all respondents cited compliance a top two pressure. Though this metric wasn't used to define the Best-in-Class framework, analysis showed that Best-in-Class organizations experienced a 7% improvement in their audit scores compared to just 1% of Laggards. As we'll show in Chapter Two, automation and the system's ability to allow rule definitions play a main role in improving compliance.

Aberdeen also examined the impact of effective scheduling strategies on employee **engagement**. Best-in-Class organizations on average reported **84%** engagement versus **61%** for Laggards. Aberdeen's July 2009 research on [employee engagement](#) showed that on a scale of 1 to 5, Best-in-Class organizations rated this metric 4.54 in terms of how critical it is to the organization's ability to execute business strategy. In fact, **83%** of Best-in-Class companies in that study directly attribute positive changes in revenue to improved engagement. Key capabilities that impact this metric revolve around empowering employees to bid on open shifts and request time-off through self-service, which will be discussed in more detail in the next chapter.

Another metric that reflects the role scheduling process play in workforce optimization is **workforce capacity utilization** (defined as portion of man-hour utilized / total available man-hours). Many companies - especially in the service, distribution, consulting and manufacturing sectors - track this metric to measure and manage idle time. Best-in-Class organizations on average reported **84%** versus **77%** for others.

Figure 2: Employee Engagement and Workforce Utilization



Source: Aberdeen Group, March 2011

The Best-in-Class PACE Model

In response to the aforementioned pressures and internal challenges, Aberdeen found that the Best-in-Class are adopting scheduling processes strategically based on the overall objectives of the organization. The key for this alignment is visibility and empowerment. And subsequent analysis will show that automation plays a central role in achieving these goals.

Table 2: The Best-in-Class PACE Framework

Pressures	Actions	Capabilities	Enablers
<ul style="list-style-type: none"> Economic pressures forcing the organization to better manage labor and control costs 	<ul style="list-style-type: none"> Standardize the workforce management processes across the entire organization through automation Align employee work schedules based on workload, business demand, census, etc. 	<ul style="list-style-type: none"> Managers are notified of potential overtime before it occurs Senior executive buy-in for the importance of workforce management to achieving business goals Managers are held accountable for forecasting future staffing requirements and labor costs Defined escalation process for shift-scheduling issues Clearly defined metrics against which the impact of scheduling are measured Regularly review the impact of scheduling on key business metrics 	<ul style="list-style-type: none"> Performance management software Scenario planning software Resource planning software tools Forecasting software Labor analytics to determine gaps in skills, proficiencies, or knowledge Tools that track certifications and generate alerts to ensure adherence to compliance when scheduling resources Tools that take into account business rules when generating or optimizing schedules

Source: Aberdeen Group, March 2011

Best-in-Class Strategies

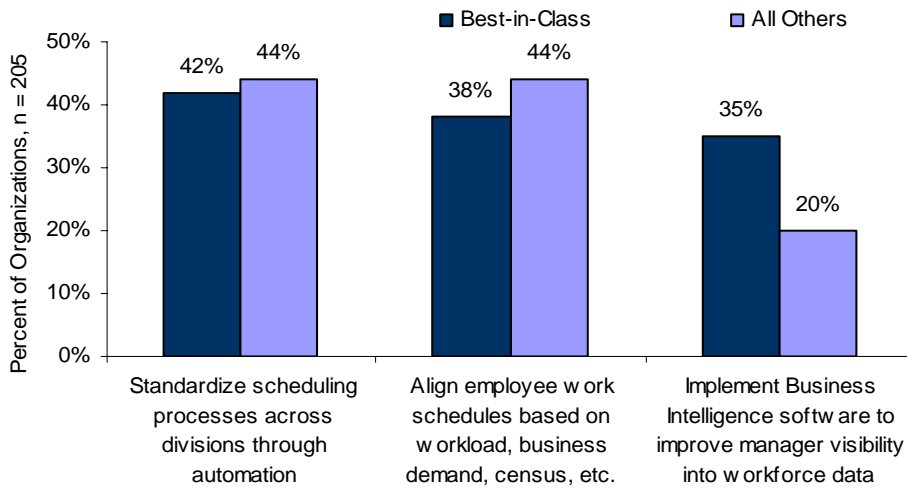
Best-in-Class organizations understand that the key to aligning scheduling strategy to business objectives lies in standardization and visibility. Not surprisingly, the top strategic action cited by all organizations is standardizing scheduling processes across divisions and operations through automation. Follow up conversations with survey respondents showed that preferential treatment by supervisors towards certain employees for specific shifts or for awarding overtime can be an issue - whether real or perceived - when scheduling is done manually. Investing in a system that automatically sets schedules based on business rules ensures that with minimal modification on behalf of the manager, shifts are allocated in adherence to regulations and union agreements.

Equally critical, automation gives the organization visibility into scheduling records that allows management to determine if certain managers modify the schedules after being created, which enables it to stem favoritism or preferential treatment and improve productivity by focusing on core business operations. Interestingly, Figure 3 indicates that Best-in-Class organizations are slightly less likely to cite standardizing through automation as a top strategy. This can be attributed to the fact that they are more likely to have already automated scheduling processes, which will be validated in Chapter Two.

"We have opened seven new locations in the past six years, and two others opening within six months. We realized that we needed to standardize our scheduling process by streamlining workflows and empowering employees through self-service and mobile access."

~ Cait Simmons, Human & Brand Development Manager,
Boloco

Figure 3: Strategic Actions



Respondents were asked to select top two. Source: Aberdeen Group, March 2011

Aligning schedules to anticipated business needs is critical. In order to do so, organizations must have visibility into the data and the ability to generate reports and gather the intelligence needed to deploy the workforce effectively. Not surprisingly, as Figure 3 shows, Best-in-Class organizations are more mature than their counterparts in that they are 75% more likely to support that alignment with analytical and reporting tools to empower managers to make better decisions. This indicates that the Best-in-Class have matured beyond 'talking the talk' and have begun 'walking the walk' so to speak. In fact, although overall less than 40% of organizations in our sample indicated that scheduling is automated, 58% of the Best-in-Class have automated scheduling compared to 35% of all others.

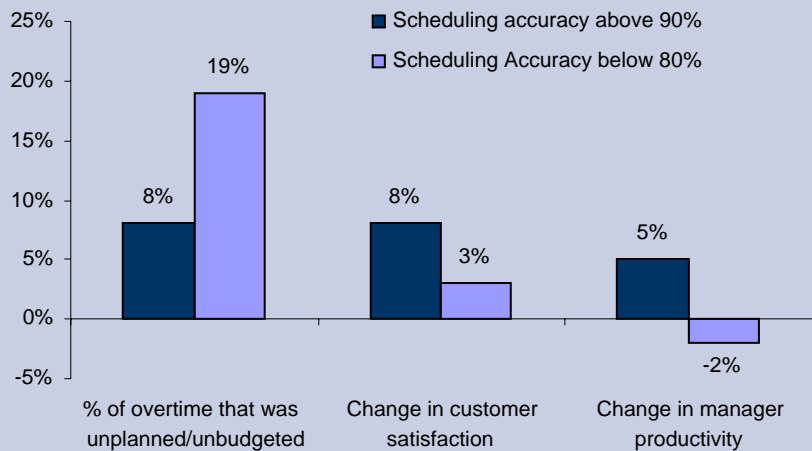
Though not shown in Figure 1, it is noteworthy to mention that when examining the Best-in-Class group, the third ranked external driver of scheduling investments is the advent of technology making it more affordable cited by 23% of them compared to just 15% of their counterparts. Further validation will be presented in Chapter Two that shows though scheduling automation is not as widely adopted - compared to timekeeping for instance - organizations that have automated are reaping tremendous gains across key business metrics.

Aberdeen Insights — Scheduling Accuracy

When Aberdeen built the Best-in-Class framework, analysis found that on average, these organizations achieve 90% scheduling accuracy. In the survey scheduling accuracy was defined as the percent of schedules that require managers to modify them after being created - whether automatically, manually or using spreadsheets. When comparing top-performers - those that reported 90% scheduling accuracy or above to those that reported below 80% accuracy, analysis found that accurate schedules directly impact employee engagement, manager productivity, and the tactical burden on the HR department as it relates to overall workforce management:

- 84% employee engagement versus 64% which directly impacts revenue and customer satisfaction
- 83% capacity utilization versus 77%
- 6% improvement in compliance

Figure 4: Impact of Accurate Scheduling



Source: Aberdeen Group, March 2011

Further analysis of these top-performers showed that they are 56% more likely to automate scheduling processes. In the next chapter, we will discuss the benefits and the gains that can be attained through automation and other key Best-in-Class capabilities.

Chapter Two: Benchmarking Requirements for Success

Automation, real-time visibility, and empowering employees through shift bidding and swapping play a huge role in executing on effective scheduling strategies. The savings through reduced overtime or in some cases staffing costs through agencies are huge. In fact, organizations that have automated scheduling and allowed employees to bid on open shifts have reduced unplanned overtime costs on average by 15% more than those that don't have these capabilities in place.

Case Study — National Frozen Foods Corporation (US)

Founded in 1912 and headquartered in Seattle, Washington, National Frozen Foods Corporation (NFFC) is a family-owned, private label company that provides frozen vegetable around the globe. Given the seasonal nature of the industry, the company's headcount peaks from 600 to 1,200 employees during harvest season. The employees are deployed in four processing facilities across Washington state and Oregon state. Currently, the company has one unionized facility.

In 2000, the company decided to examine its scheduling processing to identify areas of opportunity to streamline workflows and better manage workforce data. The manual process at the time required one dedicated resource for each facility that scheduled employees on a daily basis. "In the summer, during harvest season, the scheduling process was so burdensome on our schedulers that they were not allowed to take vacation time," said Michele Cyrus, Business Analyst for NFFC. "At that time, we had two union plants, which agreements dictate certain rules around seniority, tasks, and other criteria." In addition, as is the case in most production environments, OSHA compliance is huge. Therefore, scheduling adequate breaks, tracking time worked, and ensuring employees are not overworked is critical to minimize safety risks.

To address these issues, after a diligent evaluation process, NFFC opted for a scheduling solution that integrated with its existing timekeeping and in-house payroll systems. Given the demands of peak season, the company began the transition in the off-season. With support from the provider, NFFC implemented rules to ensure compliance with the collective bargaining agreements as well certifications and other training. Having the automated scheduling system in place allowed the company to empower employees through self-service at kiosks located in each facility. Cyrus concluded, "Automating scheduling has allowed us to minimize the risk of incompliance with union agreements and OSHA requirements. Moreover, the burden on HR has been alleviated to the point where schedules are created in a few hours every week, which allowed us to reduce or redeploy some of the headcount in our HR department. Now the scheduling person can take vacations during season."

Fast Facts

- √ **58%** of Best-in-Class organizations have automated scheduling process, compared to 20% of Laggards
- √ **63%** of Best-in-Class organizations regularly review the impact of scheduling on key business metrics

Competitive Assessment

Aberdeen Group analyzed the aggregated metrics of surveyed companies to determine whether their performance ranked as Best-in-Class, Industry Average, or Laggard. In addition to having common performance levels, each class also shared characteristics in five key categories: (1) **process** (the approaches they take to execute daily operations); (2) **organization** (corporate focus and collaboration among stakeholders); (3) **knowledge management** (contextualizing data and exposing it to key stakeholders); (4) **technology** (the selection of the appropriate tools and the effective deployment of those tools); and (5) **performance management** (the ability of the organization to measure its results to improve its business). These characteristics (identified in Table 3) serve as a guideline for best practices, and correlate directly with Best-in-Class performance across the key metrics.

Table 3: The Competitive Framework

	Best-in-Class	Average	Laggards
Process	Defined escalation process for shift-scheduling issues		
	64%	45%	38%
Organization	Employees have access to sign up for open or available work shifts		
	44%	34%	32%
	Managers are trained on processes, technology and reporting tools		
	44%	42%	20%
Knowledge	Scheduling data is integrated with business performance data		
	61%	39%	23%
	Individual employee or team performance data is integrated into scheduling process		
	52%	50%	30%
Technology	Enablers currently in use to support scheduling processes		
	<ul style="list-style-type: none"> ▪ 58% Automated scheduling system ▪ 43% Scenario planning software ▪ 42% Forecasting software ▪ 35% Tools that allow rule definition for optimizing schedules ▪ 21% Tools that support mobile scheduling 	<ul style="list-style-type: none"> ▪ 42% Automated scheduling system ▪ 22% Scenario planning software ▪ 26% Forecasting software ▪ 25% Tools that take into account when generating or optimizing schedules ▪ 14% Tools that support mobile scheduling 	<ul style="list-style-type: none"> ▪ 20% Automated scheduling system ▪ 2% Scenario planning software ▪ 10% Forecasting software ▪ 5% Tools that take into account when generating or optimizing schedules ▪ 3% Tools that support mobile scheduling
	Clearly defined metrics against which the impact of scheduling are measured		
	63%	35%	20%
Performance	Regularly review the impact of scheduling on key business metrics		
	58%	44%	37%

Source: Aberdeen Group, March 2011

Capabilities and Enablers

Based on the findings of the Competitive Framework and interviews with end users, Aberdeen's analysis of the Best-in-Class revealed that automation plays a crucial role in adopting effective scheduling strategies. However, in order to maximize the return on any investments in technology, organizations must be able to standardize policies and define rules to ensure the output of the system aligns with the objectives of the organization. Change management and manager training are also crucial.

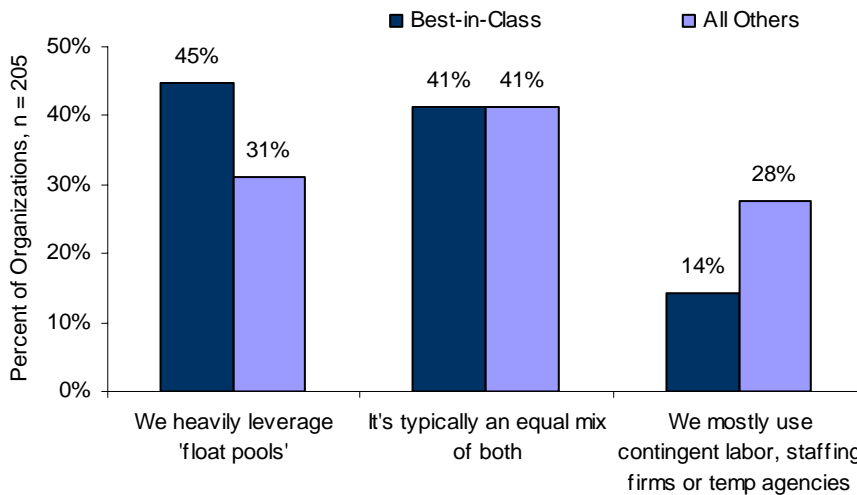
Process

Best-in-Class organizations are 68% more likely than Laggard organizations to have in place a clearly defined process to escalate scheduling issues (64% vs. 38%). For instance, a supervisor may engage in preferential treatment towards certain employees when it comes to awarding shifts or overtime. In other situations, an employee might not be able to perform a certain task, which the schedule must account for. For example, a retail employee may get scheduled during a shift when an order arrives and that employee is limited in how much weight they can carry, so another worker is called in at overtime pay. In such events three things can happen. One, employees that note this treatment as favoritism might feel disengaged. Two, the issue might result in a grievance or a lawsuit against the employer thus putting the company in financial risk. And three, an employee might have an undocumented discussion with the manager that might not resolve the issue. Clearly defining an escalation process to the HR department and communicating such procedure to employees would reduce such risk. In fact organizations that have this capability in place reported 10% higher engagement (78% vs. 77%) and 7% improvement in compliance compared to 5% for those that don't.

Organization

From an organizational standpoint, analysis of the Best-in-Class shows that they are 32% more likely than others to allow employees self-service access to sign up for open or available shifts. And nearly half of them take this a step beyond where they leverage 'float pools,' which are established communities of existing employees within geographic proximity whose skills can be utilized across other locations in the region. An example would be a health system that operates two hospitals and an urgent care center in two adjacent cities. Since most of the nurses would likely be residing close to these two cities, one can pick up a shift in another location in case of a need arises. Even if the organization ended up paying overtime (let's say time and a half), it would still be cheaper than going through a third-party agency to fill that need. In one case, an Illinois-based health system saved \$2.2 million in agency and overtime costs over a three year period - this includes 30% annual reduction in overtime - by allowing employees to make their shifts available for others to bid on / sign up for.

Figure 5: Best-in-Class Utilize 'Float Pools'



Source: Aberdeen Group, March 2011

Of course technology plays a role as it acts as a common platform that provides managers visibility into these pools and enables employee access to these shifts. As for managers and supervisors, when introducing a new process or implementing a scheduling tool it is key to ensure that they are trained on its use and reporting capabilities. Best-in-Class organizations are more than twice as likely as Laggards to ensure managers are properly trained (44% vs. 20%). Nonetheless, this goes beyond the frontline and the mid-level managers. In fact, top-performing organizations are 45% more likely than Laggards (64% vs. 44%) to have senior executive buy-in for the importance of workforce management strategies and initiatives to achieving business goals. With this buy-in, formalized training can be sponsored by the top leaders in the organization to implement it consistently across divisions.

Technology

As mentioned in Chapter One, automation plays a critical role in achieving top-performance across key metrics. Though automation of scheduling processes is still in its infancy, analysis shows that it can pay huge dividend in several key areas such as accuracy, manager productivity, cost savings, and compliance. To truly examine the impact of automation on the performance of the organization, Aberdeen analyzed two specific tools that are shown to have the greatest impact in terms of maximizing the business outcome of automation. From an employee perspective, we compared organizations that have an automated scheduling system with real-time access for employees to bid on open shifts or swap shifts to those with manual processes. Analysis showed that this capability not only improved engagement by 8% and reduced overtime by 22%, but also doubled the increase in customer satisfaction (Table 4).

"Since implementing the automated solution in 2007, the organization reduced staff costs by \$2.2 million in overtime and agency costs. Agency use was virtually eliminated and overtime cost was reduced by 30% annually. In addition to relieving our managers from substantial manual processes, having visibility and control over the data enables them to effectively deploy resources. And, equally important, standardizing scheduling processes with an automated system minimizes perception of favoritism and unfair shift allocation."

~ Nursing Business Manager,
Illinois-based Health System

Table 4: Automation and Employee Access to Open Shifts

Metric	Automated w/ employee access to open shifts	Manual
Employee engagement	80%	74%
Change in customer satisfaction	13%	6%
Overtime as a percent of total payroll	7%	9%

Source: Aberdeen Group, March 2011

From a manager perspective, we examined automated scheduling capabilities and the impact they have on compliance, unplanned overtime costs, the productivity of the operational manager and the burden on the HR department. We specifically examined the use of optimization tools in comparison to those with manual scheduling processes.

Table 5: Automated Scheduling with Optimization Tools

Metric	Automated w/ schedule optimization	Manual
Change in compliance	8%	4%
Percent of overtime that was unplanned	9%	13%
Reduction in manual HR transactions as they relate to scheduling	4%	2%
Percent of schedules that require modification on behalf of managers	7%	19%

Source: Aberdeen Group, March 2011

As Table 5 shows, automating scheduling reduces unplanned overtime by 21%, increases compliance two-fold (which also includes adherence to collective bargaining agreements), and improves operational manager productivity as a result of reducing the tactical burden of the scheduling process by 63%.

Performance and Knowledge Management

As much of the success of a scheduling strategy lies in the quality of the input, just as much of it is rooted in the organization's ability to measure its impact on business goals. Whether an organization is seeking to build a business case to improve its scheduling processes or to determine the return on a recent investment in an automated solution, establishing metrics and tracking data is crucial. Begin by identifying the areas that have the most impact on the business and assign corresponding metrics. Some metrics to get started include overtime costs, staffing agencies if applicable, grievances due to unfair treatment, actual labor costs versus plan, and the time and the resources it takes to create schedules every week. One follow-up discussion with a survey participant revealed that prior to automating scheduling it took one employee in each of the four locations one full day to

Schedule Optimization Tools

For this study Aberdeen defines schedule optimization tools as enablers that allow organizations to define rules or configure parameters in the system that automatically creates employee schedules. These rules take into consideration elements such as maximum overtime, seniority or other union-negotiated items, task management, fatigue management, geography, certifications, or other business rules.

create the schedule every week. Since implementing an automated solution, it now takes the one person just one to two hours a week to create the schedules for all four. Especially when it comes to navigating uncertain economic times, agility is vital and having visibility into performance is critical for agility.

Best-in-Class organizations are more than three times as likely as Laggards to have clearly defined performance metrics to measure the impact of scheduling on the business. In addition to tracking performance through data, nearly 64% of Best-in-Class companies hold managers accountable to meeting plan (i.e. actual hours worked versus planned hours worked). Having policies and procedures in place that compliment tracking capabilities enables the organization to continuously optimize labor costs. The key here is to communicate performance as soon as data is available to allow managers to see where they stand with their business. Giving them real-time access to reporting tools will facilitate this process.

"Automating scheduling has allowed us to minimize risk of noncompliance with union agreements and OSHA requirements. Moreover, the burden on HR has been alleviated to the point where schedules are created in a few hours every week, which allowed us to reduce or redeploy some of the headcount in our HR department."

~ Michele Cyrus, Business Analyst, National Frozen Food Corporation

Case Study — Savoury Chef, Vancouver, BC, Canada

Even in small business, automating the scheduling process can have a huge impact on streamlining operations and driving cost savings. Take the case of Savoury Chef, a high-end caterer based in Vancouver, BC, Canada. Founded in 2005 the company currently employs nearly 50 full-time and part-time employees that can peak to 70 during event season. As the company grew, the founders realized that streamlining tactical workflows will be paramount to thrive and focus on service and quality. According to Kyle N, a founder and one of the owners of Savoury Chef, "I come from a web application background and I knew that automating scheduling would help our organization. We were spending too much time on the phones to ensure people show up on time at the right venue."

After an unsuccessful endeavor with one provider, Savoury Chef opted for a web-based solution that met its needs. "The first solution was a bit bulky, pricey, and slow," added Kyle, "so we took our chances with a newer solution and became one of its early adopters." Through training, Kyle and his team ensured that managers are familiar with the system and its capabilities. The solution afforded Savoury Chef key advantages that allowed them to integrate with their in-house payroll software, make shifts available via email or SMS, allow employees to trade shifts, and provide managers real-time visibility into who is working where. Shortly after automating this process, Savoury Chef was able to reduce a full salaried resource. Kyle concluded, "From reducing our staff to spending less time on the phones, we saw the savings almost immediately. Knowing that the right people show up at the right place to provide our quality service gives us an ease of mind that is much needed in our fast-paced hospitality industry."

Chapter Three: Required Actions

When it comes to improving scheduling accuracy and impact on business outcomes, whether a company is trying to move its performance from Laggard to Industry Average, or Industry Average to Best-in-Class, the following provides a roadmap to spur these gains.

For All Organizations

Before automation, organizations must standardize policies, rules, and procedures across divisions. Currently, less than 40% of organizations in our sample have automated scheduling processes. In this landscape, making the business case for any technology investment is a challenge, but all organizations must consider the impact that automation can have on the business. In addition to the case studies we highlighted, the data analysis in Chapter Two (Table 4 and Table 5) reveals the cost of doing nothing. Even in a small organization, as seen in the case of Savoury Chef, scheduling automation pays off. With the right tools automation helps boost employee engagement which directly impact revenue, and it also reduces overtime costs; all while minimizing compliance risk and the scheduling burden on HR and operational managers.

Laggard Steps to Success

- **Gain senior executive buy-in.** Only 44% of Laggards have gained senior leadership buy-in on the importance of scheduling in impacting business goals. Aberdeen's [2011 HR Executive's Agenda](#) study showed that top barrier hindering investments in human capital management efforts is lack of senior leadership buy-in, which was cited by to thirds of all organizations in the sample. Currently, only 20% of Laggards have an automated scheduling system in place compared to 58% of the Best-in-Class. In order to build the business case for future investments, executive buy-in will be crucial. These organizations must evaluate existing processes and identify key pain points. This will help executives see the opportunity to enhance scheduling strategies.
- **Train the managers.** Even in the absence of advanced scheduling systems, managers must be able to generate reports to know where they stand. Furthermore, even if the process is heavily reliant on manual processes training would help reduce some of the time necessary to build schedules. The managers must understand parameters and policies around overtime, union agreements, fatigue, etc. Only 20% of Laggard organizations have formal training for managers on using workforce management systems, reporting capabilities and dashboards - compared to 44% of Best-in-Class.
- **Integrate individual and team performance data in scheduling process.** This is another capability which can be

Fast Facts

- ✓ **64%** of Best-in-Class organizations have a defined escalation process for shift-scheduling issues
- ✓ **64%** of Best-in-Class organizations have clearly defined metrics against which the impact of scheduling are measured

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streamlined through automation. However, organizations that currently use spreadsheets or paper-based processes can still use employee performance data, team productivity and other outputs when creating these schedules. Currently, one third of Laggard organizations have standardized this capability compared to 52% of the Best-in-Class.

Industry Average Steps to Success

- **Define issue escalation process.** When an organization doesn't have the ability to define optimization rules in a scheduling system, it is still necessary to ensure employees are treated fairly. Best-in-Class organizations are 42% more likely than the Industry Average to have defined and communicated a process that allows employees to escalate scheduling issues to HR (64% vs. 45%). This capability helps reduce favoritism thus increasing engagement and minimizing legal risk.
- **Define metrics.** Even before automation, organizations must define metrics to determine the effectiveness of scheduling strategies. Being able to know where the organization stands on overtime costs, employee satisfaction, customer satisfaction and the amount of time and effort managers spend on scheduling processes each week is critical. Business outcome is a lagging indicator of doing the right things and ensuring the right employee is in the right place at the right time without sacrificing cost and compliance is a result of ensuring employees and managers are focused on the organizational core competencies. Only 35% of Industry Average organizations have this capability in place compared to 63% of the Best-in-Class.
- **Integrate scheduling data and business data.** Aligning workforce to business objectives is the Holy Grail for any organization seeking to execute its strategy. Analytical tools that can be afforded via automation can play a huge role in ensuring that employee schedules are improving the cost revenue paradigm. Data from the [2011 HR Executive's Agenda](#) revealed that organizations utilizing analytics to integrate workforce management and business data are nearly three times as likely to achieve Best-in-Class as those that don't in overall human capital management execution. HR and business collaboration is key to enable this capability. Currently only 39% of the Industry Average (versus 61% of the Best-in-Class) integrate workforce management data with business performance data.

"From reducing our staff to spending less time on the phones, we saw the savings almost immediately. Knowing that the right people show up at the right place to provide our quality service gives us an ease of mind that is much needed in our fast-paced hospitality industry."

~ Kyle N., Co-owner, Savoury Chef

Best-in-Class Steps to Success

- **Integrate time and attendance and scheduling.** Aberdeen 2010 research on [core HR](#) has shown having a system of record that can leverage data from scheduling, timekeeping and in most cases

payroll yields tremendous gains. Organizations can no longer afford to silo scheduling (an operational function) from timekeeping (an HR function) and must leverage time and attendance data to build better schedules. Only 45% of Best-in-Class organizations currently integrate timekeeping data with scheduling processes. Another benefit of this integration is to allow employees access to their relevant data in one place. Productivity will increase as a result of spending less time on tracking their information in separate areas. Organizations that currently integrated the two have reduced errors in time tracking and earned-time accruals to 1.6% and 1.1% respectively compared to 2.4% and 2.2% for those that don't.

- **Allow employees have access to sign up for open shifts.** Allowing employees to bid on open shifts or make their shifts available for colleagues yields tremendous gains. Our analysis in Chapter Two showed that adopting this capability, especially via an automated system, yields huge performance gains in engagement and overtime cost reduction (Table 4). Conversations with end-users revealed that one of the reasons some companies don't have this capability in place is fear of breaking seniority rules in union environments. However, with the right tools, rules can be defined to allow employees to pick up open shifts and save overtime costs, and in some industries, like healthcare, considerable agency staffing costs.

Aberdeen Insights — Summary

Scheduling automation remains relatively low in terms of adoption. Based on this sample of more than 200 organizations, 39% currently have automated scheduling systems. But Aberdeen's research found that organizations that do automate are reaping tremendous benefits in overtime costs, employee engagement, manager productivity and compliance. Before investing in a system, an organization must standardize labor and business rules and other processes across the organization. Defining these rules improves scheduling accuracy when a system is implemented. As with any transition from manual to automated processes, change management is key. Training the managers at the frontlines on the use of technology and reporting tools increases buy-in and improves ROI. Lastly, empowering employees through self-service shift-bidding and shift-swapping reduces labor costs and improves the productivity of operational managers and HR staff.

Appendix A: Research Methodology

Between February and March of 2010, Aberdeen examined workforce management strategies, experiences, and future plans of more than 200 organizations worldwide to identify best practices in streamlining tactical workflows for scheduling and time and attendance functions.

Aberdeen supplemented this online survey effort with interviews with select survey respondents, gathering additional information on strategies, experiences, and results.

Responding enterprises included the following:

- *Job title / function:* The research sample included respondents with the following job titles: senior management (C-level, president, chairman) (11%); general manager / vice president (VP, SVP, EVP) (12%); director (24%); manager (38%); others (15%). In terms of functions in their respective organization, the plurality of respondents (26%) was in human resources (including payroll, recruiting, talent management, training and organizational development) followed by operations (17%), IT (14%) and corporate management (13%).
- *Industry:* The research sample included respondents from a variety of industries. Telecom / hi-tech / IT (including software, hardware, and services) represented 20% of the sample, followed by public sector - including government, non-profit, and education (14%), and financial services / insurance (10%).
- *Geography:* The majority of respondents (63%) were from North America. Remaining respondents were from Europe (16%), Asia-Pacific (13%), Middle East / Africa (5%), and South America (3%).
- *Company size:* Thirty-two percent (32%) of respondents were from large enterprises (annual revenues above US\$1 billion); 36% were from mid-sized enterprises (annual revenues between \$50 million and \$1 billion); 32% were from small businesses (annual revenues less than \$50 million).
- *Headcount:* Thirty-one percent (31%) of respondents had over 5,000 employees; 29% had between 1,000 and 5,000 employees; 11% had between 250 and 1,000 employees; 29% of respondents came from companies with less than 250 employees.

Study Focus

Responding HCM executives and business unit managers completed an online survey that included questions designed to determine the following:

- √ What is driving organizations to focus on workforce management initiatives?
- √ What are best practices to support employee scheduling?
- √ What are best practices to streamline timekeeping?
- √ Does automating workforce management processes drive Best-in-Class performance?

The study aimed to provide a framework by which readers could assess their processes and help provide a roadmap to improve their own workforce management strategies with actionable insight based on peer performance.

Table 6: The PACE Framework Key

Overview
<p>Aberdeen applies a methodology to benchmark research that evaluates the business pressures, actions, capabilities, and enablers (PACE) that indicate corporate behavior in specific business processes. These terms are defined as follows:</p> <p>Pressures — external forces that impact an organization’s market position, competitiveness, or business operations (e.g., economic, political and regulatory, technology, changing customer preferences, competitive)</p> <p>Actions — the strategic approaches that an organization takes in response to industry pressures (e.g., align the corporate business model to leverage industry opportunities, such as product / service strategy, target markets, financial strategy, go-to-market, and sales strategy)</p> <p>Capabilities — the business process competencies required to execute corporate strategy (e.g., skilled people, brand, market positioning, viable products / services, ecosystem partners, financing)</p> <p>Enablers — the key functionality of technology solutions required to support the organization’s enabling business practices (e.g., development platform, applications, network connectivity, user interface, training and support, partner interfaces, data cleansing, and management)</p>

Source: Aberdeen Group, March 2011

Table 7: The Competitive Framework Key

Overview	
<p>The Aberdeen Competitive Framework defines enterprises as falling into one of the following three levels of practices and performance:</p> <p>Best-in-Class (20%) — Practices that are the best currently being employed and are significantly superior to the Industry Average, and result in the top industry performance.</p> <p>Industry Average (50%) — Practices that represent the average or norm, and result in average industry performance.</p> <p>Laggards (30%) — Practices that are significantly behind the average of the industry, and result in below average performance.</p>	<p>In the following categories:</p> <p>Process — What is the scope of process standardization? What is the efficiency and effectiveness of this process?</p> <p>Organization — How is your company currently organized to manage and optimize this particular process?</p> <p>Knowledge — What visibility do you have into key data and intelligence required to manage this process?</p> <p>Technology — What level of automation have you used to support this process? How is this automation integrated and aligned?</p> <p>Performance — What do you measure? How frequently? What’s your actual performance?</p>

Source: Aberdeen Group, March 2011

Table 8: The Relationship Between PACE and the Competitive Framework

PACE and the Competitive Framework – How They Interact
<p>Aberdeen research indicates that companies that identify the most influential pressures and take the most transformational and effective actions are most likely to achieve superior performance. The level of competitive performance that a company achieves is strongly determined by the PACE choices that they make and how well they execute those decisions.</p>

Source: Aberdeen Group, March 2011

Appendix B: Related Aberdeen Research

Related Aberdeen research that forms a companion or reference to this report includes:

- [2011 HR Executive's Agenda](#); December 2010
- [A Guide for Implementing Best-in-Class Time and Attendance Strategies](#); November 2010
- [The Future of Core HR Functions](#); August 2010
- [Workforce Optimization](#); March 2010
- [Workforce Scheduling](#); May 2009

Information on these and any other Aberdeen publications can be found at www.aberdeen.com.

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