

July 2013

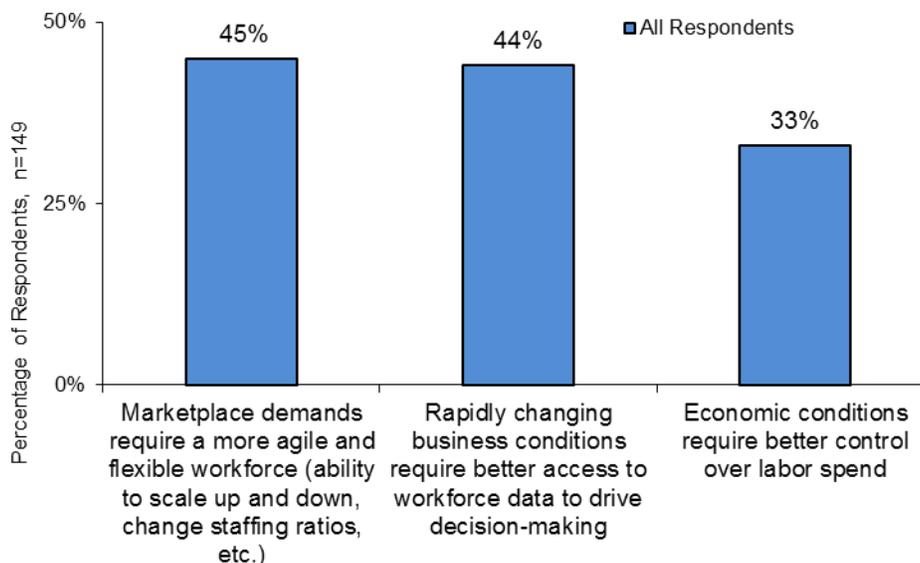
## Total Workforce Management 2013: Scheduling

Scheduling is both an art and a science. It requires finding the right mix of skills, capabilities, team chemistry, and labor costs to meet customer needs and business objectives in the most efficient manner. It is also a process that can take up significant time from managers seeking that perfect balance. To streamline and improve scheduling, organizations look to a variety of technology solutions. Based on the latest data collected between May and June 2013, this Research Brief — one of a series addressing critical workforce management issues — looks at the trends influencing workforce scheduling today and how scheduling interacts with other critical workforce management systems, including payroll, time and attendance, and absence management to achieve business results.

### The Case for Workforce Management

The main theme that emerges as organizations think about their workforce management initiatives today is that of keeping up with change. Organizations struggle to develop an agile and flexible workforce and use data to help them make better decisions about both their labor and their spend (Figure 1).

**Figure 1: Pressures Driving Workforce Management Initiatives**



Source: Aberdeen Group, July 2013

### Research Brief

Aberdeen's Research Briefs provide a detailed exploration of a key finding from a primary research study, including key performance indicators (KPIs), Best-in-Class insight, and vendor insight.

### 2013 Total Workforce Management Series

Aberdeen's 2013 workforce management research is being presented as a series of research briefs looking at:

- ✓ Time and Attendance
- ✓ Scheduling
- ✓ Absence Management
- ✓ Core HR

To truly respond to these challenges, organizations must consider the full scope of total workforce management. Aberdeen defines total workforce management as core HR (HR, employee data management, and system of record), payroll, time and attendance, scheduling, and absence management, and we'll go into detail on many of these topics in this research series.

## Scheduling Strategies

As any manager in an industry highly reliant on hourly labor knows, the schedule is the lifeblood of the organization. Managers must be able to look at demand and put together a plan to ensure that the right employees with the right skills, capabilities, certifications, and availability are scheduled at any given time. And they must do so in a way that is compliant with government rules and often union regulations and company policy, which takes into account the most efficient use of their labor budget. It's not surprising that organizations look to automated tools to help them manage this process, as organizations that automate scheduling not only reduce the time required to build schedules, but also reduce their labor costs by helping to eliminate unplanned overtime, improve revenue by ensuring that the right staff is in place at the right time, and reduce organizational risk by improving compliance.

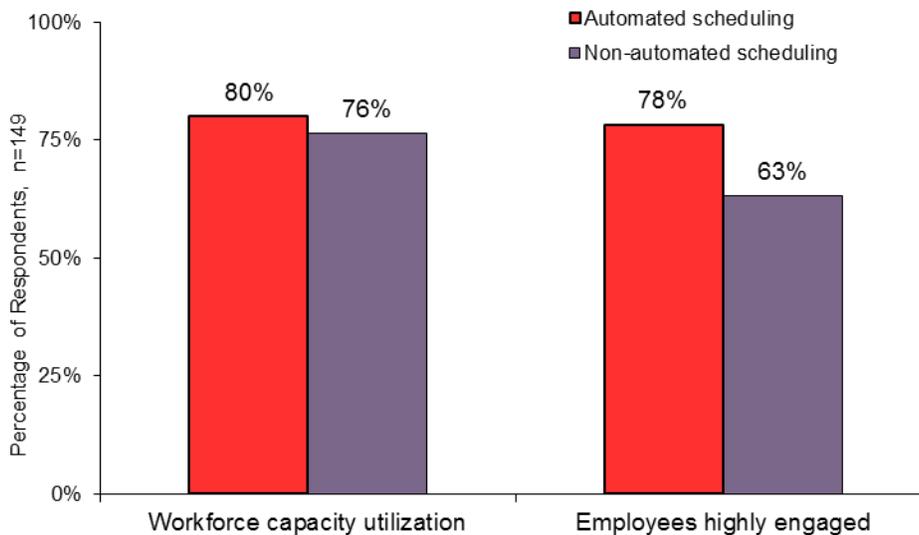
### Manual versus Automated

There are many potential benefits to overall workforce management automation. When asked to cite the most important benefits of automation, respondents listed the reduction of time spent on workforce management activities by HR (39%), improved accuracy of workforce data (36%), reduction in time spent on workforce management activities by managers (36%), and reduced overall labor cost (31%) as the top four benefits. Clearly automation helps drive both the efficiency and effectiveness of workforce management activities. Automated scheduling contributes to these goals. As illustrated in Figure 2, organizations automating scheduling saw 5% greater workforce capacity utilization — the percentage of actual work done versus the theoretical capability available within the schedule, a measure of schedule and workforce efficiency — and 24% higher engagement levels due to scheduling transparency than organizations without automated scheduling.

### Definition

Aberdeen defines total workforce management as the union of core HR (HR, employee data management, and system of record), payroll, time and attendance, scheduling, and absence management.

**Figure 2: Impact of Scheduling Automation**

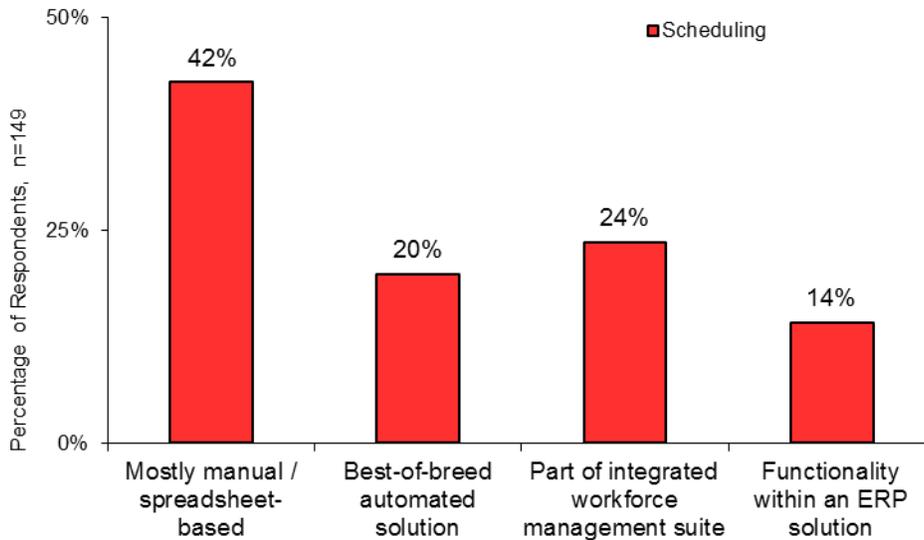


Source: Aberdeen Group, July 2013

Organizations with automated scheduling also saw a 4% year-over-year reduction in manual workforce management transactions, as compared to a 5% increase among organizations without automated scheduling. The cost savings associated with decreasing the time spent on low value-added activities like scheduling are significant. Automation improves efficiency and reduces manual transactions, increases effectiveness by improving workforce capacity utilization, and also improves the experience for employees. Automated scheduling takes much of the emotion out of scheduling decisions and can help provide transparency, thus eliminating conversations about perceived favoritism for prime shifts or extra hours. And, as we will see in further sections of this paper, automation also enables additional functionality like self-service and shift bidding that put employees in control of their schedule without compromising corporate goals, which also improves their experience and engagement.

Nearly half (42%) of organizations still operate scheduling under a manual or spreadsheet-based process (Figure 3). Some of these spreadsheet-based processes can be quite sophisticated, as organizations have built impressive formulas that incorporate drivers from other systems like customer demand and financial performance. But it is still a manual process to integrate those inputs and generate a usable schedule.

**Figure 3: Source of Scheduling Functionality**



Source: Aberdeen Group, July 2013

The good news is, 58% of organizations use automation to drive their scheduling process and most commonly use scheduling tools as part of their integrated workforce management suite. This makes sense, because often organizations that are highly dependent on hourly workers have also implemented or plan to implement automated time and attendance and payroll capabilities as well. And regardless of the source of scheduling automation, integration is a high priority. Integration of workforce management and business performance data was the second most commonly cited workforce management strategy, selected by 45% of respondents.

### **Enabling the Organization**

One of the many benefits of automated scheduling is its ability to add enhanced functionality to the organization. By pushing certain tasks out into the manager and the employee's hands, it decreases the burden on HR and helps the business manage its workforce. As illustrated in Figure 4, Best-in-Class organizations (see sidebar) are far more likely to utilize several key capabilities when creating and using schedules.

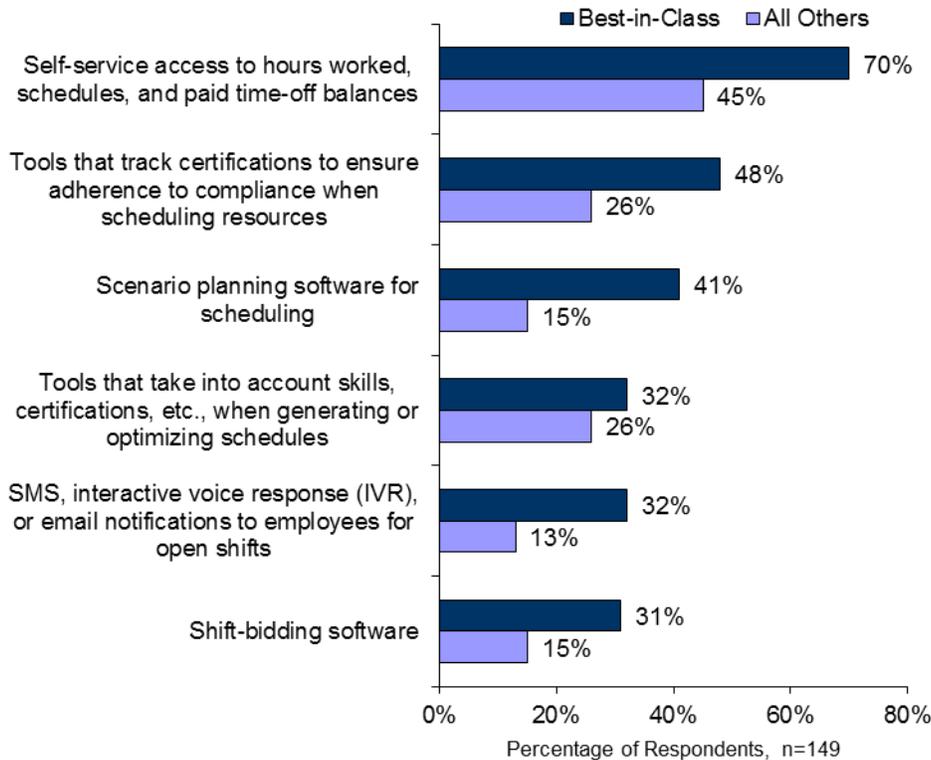
### **Defining the Best-in-Class**

In its 2013 Workforce Management study, Aberdeen used three KPIs to distinguish the Best-in-Class (top 20% of aggregate performers) from the Industry Average (middle 50%), and Laggard (bottom 30%) organizations, with mean performance among the Best-in-Class as follows:

- √ 98% average workforce capacity utilization
- √ 16% year-over-year improvement in profit margin
- √ 28% year-over-year improvement in customer satisfaction

These metrics reflect an organizations ability to create efficient and effective schedules, deliver the right staff to the right place to drive customer value, and balance labor costs with revenue to increase profitability.

**Figure 4: Scheduling Capabilities**



Source: Aberdeen Group, July 2013

Most notably, these top-performing organizations are 55% more likely to enable employees to have self-service access to information like their time worked, their upcoming schedule, and leave balances. This improves the employee experience by giving them direct access to information, as well as streamlining the process because they do not have to call their manager or someone in HR to find this information. But top-performing organizations also utilize a number of other scheduling capabilities. By tracking certifications, using skill information when generating schedules, and allowing users to run scenarios, Best-in-Class organizations use automation to not only ensure that they have the right numbers of people at the right place, but they have that right combination of skills that is required to deliver for their customers. They are also allowing managers and employees to communicate and collaborate around schedules, by enabling shift bidding, utilizing automated tools to reach out to employees to cover shifts, and improving schedule visibility. To achieve the best results, organizations need to not only automate, but also take advantage of additional capabilities that allow them to use their scheduling data to improve overall performance.

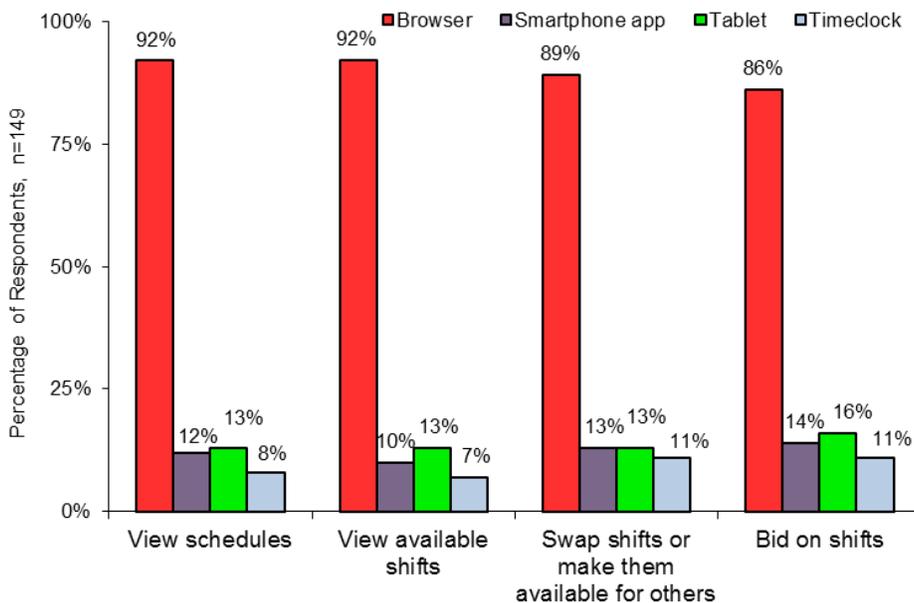
Given the importance of self-service, organizations also provide self-service through a number of channels. Self-service access to workforce management data and processes has been a growing trend for a number of

**Fast Fact**

✓ **62%** of organizations surveyed provide employee self-service, and **61%** of organizations provide manager self-service to workforce management data.

years. Currently, 62% of organizations surveyed provide employee self-service, and 61% of organizations provide manager self-service to workforce management data. But organizations provide this access in a number of different ways (Figure 5). While browsers continue to dominate as the most common method for self-service access, tablet access is beginning to edge out even smartphones for critical scheduling self-service tasks.

**Figure 5: Employee Access to Self-Service for Scheduling**

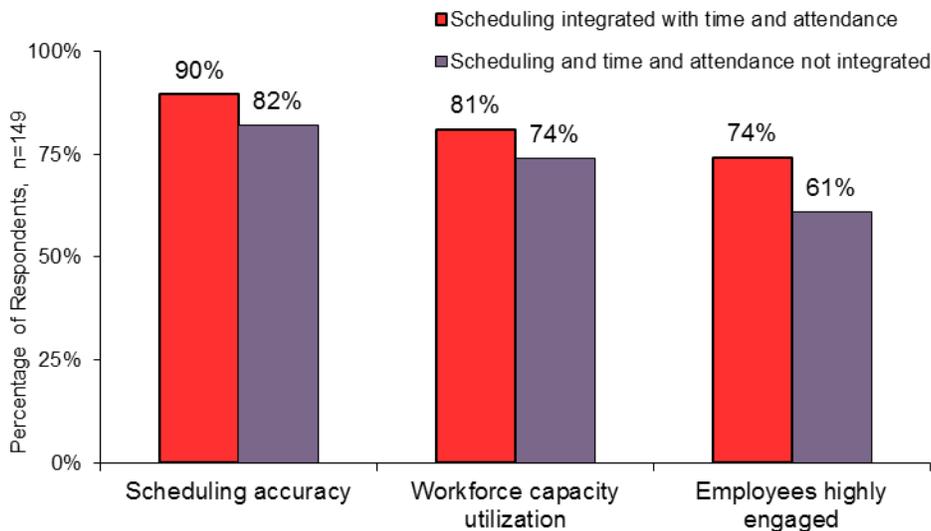


Source: Aberdeen Group, July 2013

## Integration

Integration across all aspects of workforce management is critical to help organizations improve efficiency and effectiveness as well as enable the ability to apply analytics to workforce data. To solve the challenges laid out in Figure 1, organizations need to have access to and be able to integrate data to provide business insight. In fact, 45% of respondents cited the integration of workforce management data with business performance data as one of their top two actions to support workforce management efforts, second only to efforts to standardize workforce management processes (cited by 54%). One critical foundation to this level of integration is the integration of time and attendance and scheduling, currently in place within 66% of organizations. This integration helps organizations improve accuracy, utilization, and employee engagement (Figure 6).

**Figure 6: Scheduling Integration Drives Results**



Source: Aberdeen Group, July 2013

By understanding not only who was scheduled, but also who actually showed up, organizations are better able to manage their scheduling drivers and create better schedules that yield better results.

## Key Insights

Scheduling is at the heart of operational efficiency for organizations that depend on having the right people in the right place to execute business strategy. Reducing the time it takes to create schedules, as well as building schedules that more accurately reflect demand, and bring together the right mix of skills and capabilities at the right cost, drive organizations to look to scheduling automation. Combining automation with the ability to share data with employees and managers via self-service, and integrate scheduling with other workforce management as well as business performance data and processes, is a critical foundation for organizational performance and for data-driven decision-making.

For more information on this or other research topics, please visit [www.aberdeen.com](http://www.aberdeen.com).

### Related Research

[Human Capital Management Trends 2013: It's a Brave New World](#); January 2013

[Improving Productivity and Reducing Labor Costs with Automated Absence Management](#); December 2012

[Workforce Management for the SMB: Big Results for Small and Medium Businesses](#); September 2012

[Workforce Management 2012: Efficiency, Effectiveness and Engagement](#); July 2012

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