



Workforce Management 3.0

Redefining the Discipline of Workforce Management

Introduction

How we effectively get the right person with the right skills in the right place at the right time is a challenge every human capital-intensive service business deals with every day. Some do it better than others. Few, if any, are perfect at it. No question about it though – in a service business, people are really important, and represent a majority of our costs. Known to many as the discipline of workforce management (WFM), various approaches to WFM are being conducted all around the globe.

While we are not aware of a definitive time as to when WFM began, its' roots are likely around 1890 when Willard Bundy filed a patent for, and a year later his brother Harlow Bundy started to manufacture, time clocks¹. Over the next century we saw many advancements like automated time attendance and data collection, an array of constantly improving scheduling tools (both manual and automated), task and activity reporting capabilities, absence management processes and tools, and much more.

The RMI has been studying leading practices in both resource and workforce management since its inception. As will be discussed in this paper, there are clear distinctions in the marketplace between resource and workforce management. This paper will address some of those distinctions, and more importantly, the evolution of WFM and how it will become part of a bigger ecosystem known as resource management.

WFM Defined

There are many different definitions of WFM. Here are three for starters:

“Workforce management (WFM) is an integrated set of processes that a company uses to optimize the productivity of its employees. WFM involves effectively forecasting labor requirements and creating and managing staff schedules to accomplish a particular task on a day-to-day and hour-to-hour basis.” TechTarget.com

“Workforce management (WFM) is a framework for optimizing employee productivity. WFM began as a means for improving the consistency, efficiency and productivity of call centers but has since expanded to other industries and job functions. Organizations now leverage WFM processes and tools to increase organizational performance in a strategic fashion that includes human resource management, performance and training management, scheduling, data collection, recruiting, budgeting and forecasting, scheduling, and analytics.” CIO.com

Workforce management (WFM) is an institutional process that maximizes performance levels and competency for an organization. The process includes all of the activities needed to maintain a productive workforce, such as field service management, human resource management, performance and training management, data collection, recruiting, budgeting, forecasting, scheduling, and analytics.

¹ Wikipedia

Workforce management provides a common set of performance-based tools and software to support corporate management, front-line supervisors, store managers and workers across manufacturing, distribution, transportation, and retail operations.” Wikipedia

Resource Management Defined

The Resource Management Institute (RMI) defines it as ‘*The processes involved in planning, scheduling, and allocating resources to perform work that has a desired outcome, and then deploying those resources in the most efficient manner possible*’ or ‘*Getting the right person in the right place at the right time*’.

Important to note that the term resource management for some means physical resources such as plant equipment or vehicle fleets. The RMI’s definition provided above is specific to human capital resources.

Contrasting Workforce Management with Resource Management

Each of the aforementioned definitions have some common elements and some differences. While the RMI does not believe that there should be a distinction between Workforce Management (WFM) and Resource Management (RM), we do recognize the industry in some ways does. Going forward the RMI will advocate for more standardization of both under a Resource Management (RM) moniker.

The RMI has observed two main distinctions between WFM and RM, and those relate to 1) the industries where the terms are being used and 2) the most common elements comprising each process. Starting with listing some industries that use these terms:

For WFM, this term and process is commonly used in:

- Call centers
- Software support centers (support services)
- Hardware servicing (field services)
- Manufacturers
- Distributors
- Retail businesses

For RM, this term and process is commonly used in:

- IT software providers
- Professional Services organizations
- Marketing agencies
- Accounting, tax, audit and advisory firms
- Product development organizations
- Enterprise/IT organizations
- Consulting firms

In both the WFM and RM cases above, the common element of what is being done is the complex task of matching demand for work with supply of resources to do the work. As the RMI has observed in both environments, the process elements differ as well.

Here is a depiction of a typical WFM process:



Some specific observations about the **WFM process elements**:

- **Employee/contractor databases** form the basis from which scheduling can occur. Most implementations we have observed focus mainly on employee key skill(s) and availability, but lacking more detailed data on employee competencies, costs, career goals, development needs and other crucial elements to support an effective employee engagement or labor strategy.
- **Forecasting/capacity planning** is typically short-term, 2-4 weeks being common. While some forecasts are for longer periods of time, accuracy suffers beyond a 4- 8-week timeframe in many cases, and the planning horizon needs to be longer. This is a key area of weakness for most WFM implementations we have observed.

- **Scheduling** is just like it sounds – assigning a resource to a particular job, project, or assignment. Different industries may call this something different, for example in hardware repair (field services) this is known as dispatching.
- **Time and absence management**, particularly where hourly workers are used, are important elements of an effective WFM process.
- **Technology** is usually in the form of a WFM application designed to support this six-element process, and often supplemented with a spreadsheet tool. Scheduling is most often a strength of these tools, however the ability to implement a more comprehensive approach to drive real efficiency gains and support a low triage environment remains elusive to many. Due to a higher proportion of work being conducted by hourly workers, these tools either provide functionality for time and absence management or provide the ability to integrate with other third-party tools providing these capabilities.
- **Governance** processes provide active reporting, assignment of accountability for WFM outputs and effectiveness, all with a heavy focus on triage.

From the service provider's perspective, the key goals are excellence in customer service and efficient use of resources (keep costs low). The RMI believes most WFM implementations can benefit from the strengths of a full RM implementation.

Below is a depiction of an **RM process** utilizing the RMI's Just-in-Time Resourcing® industry standard for resource management:



Some specific observations about the RM process elements:

- The **Skills Inventory** forms the basis from which staffing and skills mix management can occur. In addition to carrying employee skill(s) and availability, more sophisticated data on employee competencies, costs, career goals, development needs and other crucial elements are established and maintained to support an effective employee engagement or labor strategy.
- **Staffing** is a much more sophisticated approach to scheduling, assigning a resource to a particular job, project or assignment, but based on multiple dimensions beyond skills and availability. A good staffing process supports both the economic needs of the task to be done, the employee engagement considerations, and the labor strategy adopted by the enterprise, usually focused on retention of the right people and cost containment.
- **Forecasting** is required to be longer term, 12-24 weeks being common. Given the cycles of time needed to recruit and on-board human capital, time is of the essence and without a forecast at least longer than the normal human capital acquisition time, getting the forecast right is needed to operate in a proactive manner.
- **Sourcing and Development** extends the sophistication of the RM process, and when combined with a long-term forecast, enables the RM function to stay ahead of the human capital curve with improved planning for hiring, skills mix management, retraining, re-assignments, third party engagements and other actions necessary to support future work needs.
- **Technology** is usually in the form of a PSA/PPM/RPM application designed to support this RM process, and often supplemented with a spreadsheet tool. Addressing and integrating all elements of this process is a design point of many of these tools, enabling the ability to drive real efficiency gains and support a low triage environment. Time keeping is typically part of these applications with absence management more often being provided by a third-party tool such as an HCM system or specialized absence management tool.
- **Governance** processes provide active and timely reporting and dashboarding, assignment of accountability, and supports a continuous improvement environment for RM.

From the service provider's perspective, the key goals are still excellence in customer service and efficient use of resources (keep costs low).

Evolving Workforce Management to Resource Management

Overall, evolving from a WFM environment to a full RM environment can yield impressive benefits including improved resource utilization and lower costs, better supply and demand matching leading to improved project performance and overall customer service, improved agility and responsiveness, and improved employee engagement.

Making the transition does not usually mean a total lift and shift, but rather filling the gaps in WFM processes to enable a full RM capability and supplementing the process as needed with the right process automation tool. A good tool for identifying your gaps is to use the RMI's Resource Management Maturity Model available here <https://resourcemanagementinstitute.com/resource-management-maturity-model/>. Once you have identified your gaps, you can then map a course filling those process gaps. The model is constructed around the industry standard Just-in-Time Resourcing® (JITR) process solution which provides a holistic method to enable a disciplined, process-oriented approach to efficiently managing human capital.

Regarding process automation tools, the RMI's parent company, RTM Consulting, has a digital transformation practice with experience working with many commercially available PSA/PPM/RPM and WFM tools. We have observed many of the WFM vendors have or are planning to expand capabilities of their tools to be more than 'scheduling' intensive tools, responding to market forces demanding more RM like capabilities. While we expect to see more merging of WFM and RM capabilities in these respective tools, there are underlying differences in the markets they are targeted at and therefore, we expect to continue to see WFM branded tools and RM branded tools for the foreseeable future. That trend in no way should inhibit any company from pursuing Resource Management as described in this paper.

The Bottom Line

How we effectively get the right person with the right skills in the right place at the right time is a challenge every human capital-intensive service business deal with every day. While there are definite distinctions in the marketplace today between resource and workforce management, we strongly believe WFM will evolve and become part of a bigger ecosystem known as resource management.

About the Resource Management Institute (RMI)

The Resource Management Institute is dedicated to the advancement of resource and workforce management thought leadership, best practices and standards, globally recognized credentials that certify resource management expertise, and tools and resources necessary for effective and efficient management of human capital-intensive businesses. The Resource Management Institute was created to provide the resource and workforce management community a vehicle to advance the discipline of resource and workforce management, and further the interests of the people who make up this community and the companies they work for. Visit us at www.resourcemanagementinstitute.com and on [LinkedIn](#).

About RTM Consulting

Specializing in Resource Management, Project/Portfolio, and Services Business Optimization, RTM Consulting helps IT hardware, software and support services organizations achieve the benefits associated with successful services portfolios. With its unique Just-in-Time Resourcing® solutions and Business Acceleration Services, RTM Consulting helps large, medium and small firms move beyond theory to practical application of industry best practices and achievement of exceptional results in the shortest possible period of time. For more information please contact RTM Consulting at info@rtmconsulting.net or www.rtmconsulting.net.