

introduction to workforce management

In today's rapidly evolving global economy, finding new ways to optimize your company's performance is critical. HR leaders and operation managers across the world are turning to workforce management (WFM) solutions to get the most out of their staffing practices.

Over the past five years, investment in workforce management solutions has grown steadily, [with the global market revenue from WFM applications expected to reach US\\$5.5 billion by 2024](#). Business leaders are realizing the benefits of thinking critically about how they manage their workforces.

There's never been a better time to rethink your staffing practices. On this page, you'll find everything you need to know about workforce management and how it can help your business achieve success.

01 what is workforce management?

Workforce management is a series of processes and procedures that work together to make sure staffing resources are efficiently allocated within a business. In other words, WFM works to place the correct number of employees with the appropriate skill sets exactly where they need to be, right when they need to be there. As a business framework, it emphasizes performance and competency with the ultimate goal of maximizing employee productivity.

A company might take advantage of workforce management for several reasons, including:

- optimizing scheduling and planning
- cutting down absenteeism rates
- identifying and resolving inefficiencies
- managing labour costs
- improving employee safety measures

why is it important?

Workforce management processes help increase planning and awareness,

giving your company a clearer picture of its business needs. It increases flexibility, allowing your company to adjust to new challenges without enacting costly shifts in business or hiring strategies.

Increasing flexibility and improving planning will support better productivity, ultimately boosting profits — as studies have shown, organizations that know how to effectively reallocate and manage their workforces [are twice as likely to outperform their competitors](#).

Below, we'll discuss some common workforce management issues and the strategies that can address them.

02 common workforce management issues

scheduling and planning

For businesses today, the old saying that time is money really is true. And it's even more true for high-volume workforces like manufacturing, [with some facilities standing to recoup millions of dollars by rethinking the way they schedule shifts](#). It's obvious that finding a way to efficiently create weekly and monthly schedules are critical for companies looking to get ahead.

For roughly half of the managers today, scheduling takes more than two hours each week to complete — [while some managers even report spending up to 12 hours a week on the schedule](#). There's real money on the line as well; according to the same report, each missed shift created by a scheduling error is roughly equivalent to \$633 (€531) in monthly outlays.

Poor scheduling and planning can lead to high rates of absenteeism — which we'll discuss more below — but it can also have other effects. Poor and erratic scheduling can leave employees feeling demoralized, and it also increases the occurrence of unplanned overtime, which can quickly add up to a major expense.

A workforce management solution can help by optimizing your scheduling procedures with state-of-the-art technologies, with the goal of eliminating these common pain points. There are also tangible results to be had, including increasing the size of your available labour pool and boosting talent acquisition and retention.

absenteeism

Ready for a shocking statistic? Absenteeism — when employees take unscheduled time off work — among U.S. workers accounts for [\\$8.5 billion annually in lost productivity](#), while in the UK it's estimated that [the total economic cost of absenteeism will reach £26 billion by 2030](#). In other words, it's vitally important not only that you hire the best workers but also that you get them to show up. A strong workforce is just as important as a reliable workforce.

There are a number of [common reasons for absenteeism](#), including physical injury and illness, mental health difficulties, bullying and harassment, and job hunting. All of these reasons for absenteeism can be addressed in some form or another — whether that's encouraging health and wellness in your workforce or creating an overall work environment that increases employee retention.

[Read more: common causes of absenteeism](#)

Although a workforce management solution can help to address the root causes of absenteeism, it can also [help your company manage the effects of absenteeism through proactive planning](#) and other long-term solutions. Absenteeism happens, but it doesn't have to hurt your bottom line. Instead of scrambling to react to staff shortages, a successful company will have fluid strategies in place to address them.

Analyzing your labour force and conducting activities like skills audits will give you a clearer picture of your capacity and capabilities and where problems may arise when absence levels are high. It will also help you identify the most critical processes at work in running your business. Finally, pinpointing the competencies required to complete critical tasks will help inform your [training and development](#) plans.

[Read more: how to manage absenteeism](#)

inefficient operations and low productivity

Efficiency is the lodestar of modern business operations, with new technologies and strategies typically aimed at boosting efficiency with the aim of maximizing ROI. But what is efficiency, and what does it mean for

operations to be inefficient? Simply put, inefficient labour operations occur when you're spending more money and time on a given process than it takes other companies on average to do, or produce, the same thing.

So what exactly leads to labour inefficiencies? As with most operational problems, there are [a number of causes](#). Your labour costs might be too high or your employees might simply be disengaging — as some surveys have found, [companies with higher rates of engagement also report as much as 21% greater productivity](#). It's also possible that your managers aren't empowered with data, and, as a result, aren't able to identify problems with your current operational strategies.

A workforce management solution can help by importing the necessary expertise to turn operational inefficiencies around — a helpful outsider's perspective can identify problematic strategies and provide a better allocation of resources and labour. With partners on board to connect the new strategy to ROI (in some cases [as much as \\$500,000 annually](#) or more), you should be able to avoid the headaches caused by missed opportunities and stay focused on business growth.

high turnover and poor retention

The costs of high turnover and poor retention can be severe. Recent studies suggest that [it costs an average of 21% of a position's salary to hire a new employee](#). And that doesn't even begin to take into account the costs of a position vacancy, including overtime needs and health and safety concerns, which can quickly add up the longer a position remains unfilled.

Companies can adopt several effective methods to reduce high turnover rates and increase employee retention. These include offering competitive salaries, creating a strong employer brand and positive reputation, streamlining the onboarding process, and improving talent acquisition. On their own, however, these measures aren't guaranteed to achieve results.

Using a comprehensive [workforce management solution can make your efforts at improving retention](#) easier *and* more effective. Handling everything from recruitment and selection to onboarding and induction to shift planning and forecasting, a workforce management solution can help your company improve retention rates, decrease turnover, and save on costs — all while increasing productivity.

[Read more: how to improve employee retention](#)

labor costs

Making cost savings is a common priority for procurement teams, particularly in the manufacturing industry, where achieving maximum financial efficiency and managing outgoings is one of the biggest challenges facing businesses. Too much focus on direct labour costs, however, can lead companies to ignore [major indirect sources of workforce spend](#), including training and turnover costs, as well as prolonged fill times.

How can a workforce management solution be deployed to actively address both direct and indirect sources of labour costs? One fruitful area of focus is hiring. New hiring — especially a well-run hiring process — can be costly, so finding unique ways to minimize hiring can be a plus. Redeployment or upskilling of current staff, helped along by workforce management solutions, could provide the talent you need without having to hire.

Keeping over-planning — when you pay for more capacity than you need and end up with workers who aren't required — to a minimum can also help your company manage costs, by only paying for the labour you need. To help reduce over-planning, you could analyze your workforce capacity utilization to better understand how efficiently your resources are being deployed, and look at options for redeployment.

[Discover: how to control your workforce costs](#)

employee safety and the future of the physical workplace

The benefits of employee safety are self-explanatory — by providing a safe, clean, and constructive work environment, you're not simply keeping your employees safe but also ensuring their motivation remains high. A safe, comfortable, and stress-free work environment is one of the hidden keys to unlocking high productivity. Beyond this, an unsafe environment can pose a big financial risk, with injured employees spending more time at home and workers' compensation claims adding up.

But before you can improve your safety culture, you need to find out how your safety culture stacks up against the competition. An external assessment can be the first step toward integrating a workforce management

strategy into your company's business plan, offering actionable insights you can use right away to make your workplace safer.

It's also a good idea to consider [what adjustments you might make to your work environment as the pandemic winds down and manufacturing sites continue to open up more fully](#). Optimizing your safety procedures and finding ways to make safety and efficiency line up, can be helped along by innovative workforce management strategies.

03 building a successful workforce management strategy

Now that you have a better understanding of the many benefits a workforce management approach can bring to your business, you can start developing a strategy for implementing it. The best approach is to begin by identifying your own unique needs and the challenges your company faces, then update your labour strategies to align with your business objectives.

In general, it's a good idea to follow a few steps in order:

- *Set your priorities.* Figure out what it is that you're interested in improving your current operations. What are the pain points that have been bothering you recently? Can you identify problems you've had over the long term? How can you think about these problems concretely? For example, are you more interested in improving employee retention or attracting more talented employees?
- *Identify and fix broken processes.* Once you know what problems you want to solve, identify the processes you have in place to address them and figure out what isn't working. This might be a particular process, or it could be an overall communication issue. For example, because [44% of organizations use three or more internal systems to handle workforce management processes](#), it's easy to see how things might get lost in translation from one system to the next.
- *Research possible solutions.* Many different WFM solutions are available on the market — from "plug-and-play" software to full-service strategic partners like Randstad — so you'll need to dive into the space and do some research to find the solution that's best suited for the needs of your company.

outsourcing the management of your workforce

Hiring workers itself is a costly, time-consuming process, especially for businesses with large or contingent workforces. It can take your attention away from more pressing matters, and it's not always guaranteed that a personal involvement will result in better hires and a more talented workforce.

Recruitment doesn't have to be a burden. Providing external management for your workforce and working with an HR partner can take the pressure off your shoulders, allowing you to focus on the core of your business. Randstad's solutions provide scalable, flexible, and efficient sourcing models that flex with the changing resource demands of our clients — so you'll know you're in good hands.

And you won't simply save on time. At Randstad, we can help you think holistically about your goals, working with you to develop robust, enduring, and cost-efficient solutions. A well-managed workforce means you'll only have the resources you need when you need them — saving you on overhead.

04 how Randstad in-house services can help

Competing in a global market isn't easy. Businesses with large workforces are driven by production fluctuations, seasonal changes, new product launches, the addition of new locations, and even reinvented business models when the world unexpectedly changes, as was the case during the pandemic.

[Randstad Inhouse Services \(RIS\)](#) supports clients on-site with high-volume resourcing requirements in the vertical markets of automotive, logistics, manufacturing, pharmaceutical, and contact/service centre environments. Working as a strategic partner with our clients, we create a flexible on-site resourcing delivery model to create hiring and workforce management strategies that effectively control costs and drive efficiencies.

The benefits of high-volume talent management include reduction of hiring costs, enhanced worker engagement, customized solutions, and the leverage of HR technology. In the past, we've helped UK-based clients:

- reduce labour costs by 10% per worker (£383,000) with a shift pattern restructuring program, all while maintaining a 24/7 operation
- resolve a critical skills gap through enhanced operational efficiency, resulting in an annual cost saving on overtime spend of 9.5% (£219,000)
- implement end-to-end efficiencies that improved talent entering the business, resulting in a reduced “time to train” of 24%

[Discover: Randstad Inhouse Services \(RIS\) might be the right fit for you](#)

Randstad workforce scheduling

Assembling a team of workers with the right skills requires tremendous investment. The level of attention needed to organize a workforce — and especially to manage temporary workers — means human capital leaders have less time to focus on core business activities that deliver value to their organization. So what’s the best solution for companies looking to optimize their workforce scheduling?

One approach that a growing number of employers are embracing is provided by Randstad workforce scheduling. Also known as Relevate Workforce Schedule, the service offers an online scheduling and workforce planning system that makes the stressful process of managing a flexible workforce simple.

With Randstad workforce scheduling, clients can:

- access a selection of pre-screened workers
- quickly and easily staff up or down as needed
- efficiently plan temporary workers with our planning portal
- suggest steps and strategies for process enhancement
- enhance temporary worker communication and cut down on absenteeism

And these benefits aren’t just contained to contingent workers — we can help with permanent staff as well. Randstad also offers a variety of flexible, hybrid solutions that allow our clients to split their workforce management with Randstad’s staff, so you can find the balance that works best for you.

As a part of Randstad Inhouse Services, our workforce scheduling solution is often deployed for managing hourly positions, and it’s especially effective for

shift work on product lines and back-office roles. Focused on up to seven profiles, the program can support employers in need of 50 or more flex workers — in other words, there's no upper limit.

[Learn more: Relevate Workforce Schedule](#)

working with Randstad

Randstad is the world leader in the HR services industry. With 60 years of experience, our close professional relationships and expertise span multiple continents and industries, including manufacturing. We provide unique and localized solutions to meet any companies' workforce needs — on small and large scales, for companies of all sizes. Our partners enjoy:

- flexible access to the best local candidates
- deep understanding of the industry's latest best practices and trends
- a global presence and awareness of emerging optimization strategies
- data-based improvements and suggestions that draw on the latest facts

Randstad makes available its HR tech tools, such as video interviewing, automated reference checking, and more to digitize key parts of your HR process. Or Randstad can manage your entire recruitment process end-to-end.

It's time to begin building your best team and meet future uncertainty with the confidence that you have what it takes to adjust and thrive. [Contact us today](#) to find staffing solutions in your area or to discover what workforce management solutions can do for you.

05 frequently asked questions

What exactly does workforce management manage?

It depends, but in general workforce management can cover a wide array of business operations, including time management, employee management, benefits management, scheduling, and recruitment. If an operation is related

to organizing your workforce, chances are workforce management can optimize it.

Why do I need workforce management?

It would be hard to find a business that didn't stand to benefit from a workforce management solution. Workforce management can help you cut down on costs by reducing scheduling errors and absenteeism, streamlining the recruiting process, and curtailing payroll inflation. In other words, you need workforce management if you're looking to save time and money, all while staying ready for the future.

When is the best time to implement workforce management?

The short answer is as soon as possible. More specifically, if you're interested in improving any of the following processes, it could be a good time to start investing in a workforce management solution:

- predict staffing and skill requirements over the short and long term
- analyze your current workforce and conduct fit/gap analysis
- record and analyze results to ensure the company is meeting its benchmarks
- monitor employees' time to better organize work hours and payroll

Who benefits from a workforce management solution?

Most companies and businesses will be able to benefit from a workforce management solution. Internally, workforce management offers key benefits to human resources departments, CFOs and top managers who need to prepare reports and middle managers in charge of operations and resources.

How much does a workforce management solution cost?

The cost will depend on a number of factors but is typically based on the size of your business and number of employees, as well as the functionalities

deployed. It's common for a workforce management vendor to charge a fee on a per-user basis, or a monthly or yearly fee.