

Workforce Management Performance Study overview

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If you evaluate all of the inputs included in calculating gross pay, you will find that time reporting is the biggest single contributor to payroll errors. As a result, the Hackett Group launched its 'Workforce Management Performance Study' earlier this year to provide employers with tips on how to enhance the process in order to improve payroll quality.

Unfortunately, there is often confusion as to what 'workforce management' really means. Our definition is based on six sub-processes: Employee data management; labour planning and scheduling; event collection; exception management and approval; absence and leave management, pay and labour reporting.

Refining the workforce management process

In order to reduce the number of payroll errors resulting from time reporting, it is necessary to better understand and refine the workforce management process. Doing this is quite a challenge for most companies because too few have a single individual who actively owns the process.

Ownership tends to be shared between the human resources function, payroll departments and the business units. As a result, it becomes tough to make decisions around process improvements. Another big challenge is obtaining the right sponsor to champion your workforce management initiatives.

While many companies are moving forward with the deployment of cloud technology in other areas of the business, workforce management systems have been slow to follow suit. This means that most employers have retained their on premise software in individual countries.

But lots of opportunities exist for system consolidation throughout the entire workforce management process. The biggest ones lie in modernising absence, leave management and scheduling. Our data shows that most firms have already introduced basic functionality in areas such as time collection and review and approval, but are now looking to enhance the entire end-to-end process.

Furthermore, although a lot of data in this area can be used for enterprise-wide decision support and other analytics activities, most businesses have only used it to feed the payroll system. This situation opens up tremendous opportunities for them to leverage their data more effectively in order to reduce costs and increase productivity across the enterprise.

What you can do

Before embarking on a new workforce management initiative, ask yourself these four questions:

1. Is the time right to focus on improving your workforce management process?
2. How many payroll errors result from time reporting issues?
3. Who owns your workforce management process?
4. How automated is that process?

There are also a number of things you can do to improve how things work and cut the amount of payroll errors resulting from time reporting. Here are four suggestions:

1. Identify and appoint an enterprise-wide process

owner. One person should be accountable and responsible for the success of the process around the globe

2. Create an enterprise-wide vision of what the workforce management process should look like. This vision needs to focus on how to manage the labour force most effectively
3. Create a similar governance structure to those used in a human resources and payroll context. This governance structure should detail roles and responsibilities, escalation policies and the like
4. Automate the entire process as much as possible. This includes introducing or upgrading systems for scheduling, time reporting, absence and leave management and any other areas that have an impact on the process. ■

Process Scope

The study measures the end-to-end process

