



Workforce (Mis)management is Expensive

Digital Solutions for 7 Common Workforce Problems
That Affect an Organisation's Bottom Line





Workforce (Mis)management is Expensive.

An organisation's largest expense is *almost always* its workforce. In fact, studies show that **40-80%** of an organisation's gross operating revenue is spent on employees. With such a large expense to operate the business, simply put: there is **no budget for error**.

Whether you're a CFO or a Payroll Manager, there is no denying employee expenses are a top priority for a business in any industry – especially when it's such a large part of your budget. From *miscalculations to unnecessary overtime to time consuming, inefficient processes to noncompliance risks and penalty fees* – the perils of workforce mismanagement are endless and expensive.

In this eBook, you'll find the 7 most common workforce management problems finance professionals encounter across all industries – and how to solve them for good.

Workforce Mismanagement is Expensive: The Problems



Problem #1: Payroll Errors

"It's really difficult and time consuming to calculate all of my employees' worked hours manually. I waste a lot of time trying to make sure I don't make inaccurate payments and it's very inefficient."

- Emma, Payroll Manager at a Manufacturing Factory



Problem #2: Compliance & Risk Reduction

"There is a lot of pressure for my team and I to comply with local, national, EU and union safety/labour regulations. From rostering to working shifts to filling shifts – it's a huge headache."

- Evan, Head of Compliance & Labour Relations at an Energy Plant



Problem #3: Cost and Headcount Control

"I am unable to see and forecast labour demand or time-off requests in an efficient way, which makes it hard to optimise my workforce. It really impacts the business."

- Ming, Store Manager at a Retail Chain



Problem #4: Inability to Prepare Detailed Labour Reports & Analysis

"We record all our labour data in multiple systems, excel sheets, and sometimes even paper! We have no ability to consolidate it. It's a nightmare for my team and I to make decisions about labour allocation, cost reduction or investments without accurate data."

- Hannah, CFO at a Pharmaceuticals Company



Problem #5: Time Entry Control

"Our manual timesheets make it hard to keep time entry and labour allocations accurate. They are hard to read, often it gets lost and are prone to error or fraud."

- Jayden, Payroll Manager at an Agriculture Company



Problem #6: Inability to Cover Diverse Workforce

"Our multiple production areas and different types of staff creates siloed workforce data. I don't have visibility into my entire workforce because employees record time in different systems."

- Elijah, Manager at a Chemicals Plant



Problem #7: Accurate Cost Allocation/ Activity Based Costing

"It's hard to keep track of our teachers who also coach after school sports. There is a different pay rate and budget allocation for teaching vs. coaching. Without the proper system in place, we often overpay when we don't have a big budget to begin with."

- Chloe, Finance Manager at a State Secondary School

Problem #1

Payroll Errors



“It’s really difficult and time consuming to calculate all of my employees’ worked hours manually. I waste a lot of time trying to make sure I don’t make inaccurate payments and it’s very inefficient.”

Emma

Payroll Manager at a Manufacturing Factory





The Problem:

Emma is the payroll manager at a manufacturing company using an outdated system that requires manual calculations to track time worked. It's extremely time consuming and frustrating for Emma and her team, who always work extra hours at the end of every pay period. Not only is the process inefficient but it produces inaccurate time data and a high margin of error.

The Consequence:

- ⊗ Makes inaccurate payments - overpaying or underpaying employees
- ⊗ Inaccurate payments cut into the company budget and bottom line
- ⊗ The whole process is time consuming, costly and extremely inefficient
- ⊗ Frustrating for Emma as well as all those impacted by incorrect payments

The Solution:

Emma needs a digital workforce management solution that allows her and her team to:

- ✓ Accurately collect time and automate calculation of pay
- ✓ Ensure employees are always paid accurately
- ✓ Ensure payments comply to labour/union rules
- ✓ Automate any corrections that need to be made

With a digital workforce management solution, Emma and her team can reduce time processing payroll, track time more efficiently and never make overpayments again. It makes the whole process more efficient, while reducing overall costs and employee grievances.



Did you know a digital workforce management solution can...

Reduce payroll processing errors by 51%, overtime costs by 19%, and drive unplanned or unbudgeted overtime down by 7%.

Problem #2

Compliance & Risk Reduction

“There is a lot of pressure for my team and I to comply with local, national, EU and union safety/labour regulations. From rostering to working shifts to filling shifts – it’s a huge headache.”

Evan

Head of Compliance & Labour Relations at an Energy Plant



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The Problem:

Evan is the Head of Compliance & Labour Relations at an energy company that doesn't have a system to track all the rules in this highly regulated industry. From local laws to national laws to union rules coupled with safety and labour regulations that are ever-changing, his team is under a lot of constant pressure. The stakes are high with potential fines in the millions, noncompliance mistakes are not an option.

The Consequence:

- ⊗ High risk of noncompliance without ability to accurately track rules
- ⊗ Heavy fines and penalties for noncompliance
- ⊗ Damaged brand reputation for the business
- ⊗ High number of employee grievances
- ⊗ Employee safety is compromised – causing more lawsuits



The Solution:

Evan needs a digital workforce management solution that allows him and his team to:

- ✔ Reduce risk of noncompliance with automation
- ✔ Automate legislative requirements via easy to use templates
- ✔ Automate union and corporate policies
- ✔ Track absences and comply with laws around time off

With a digital workforce management solution, Evan and his team can rest assured that they will be compliant. With automation and easy to configure templates that track policies and regulations, they will not need to lose any more sleep at night over potential bankrupting penalties.



Did you know a digital workforce management solution can...

Help organisations reduce risk and stay compliant because over **50%** list litigation as a top concern against modern awards.

Problem #3

Cost and Headcount Control

“I am unable to see and forecast labour demand or time-off requests in an efficient way, which makes it hard to optimise my workforce. It really impacts the business.”



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Ming

Store Manager at a Retail Chain



The Problem:

Ming is the store manager at a retail chain that does not have a system in place to forecast labour demand with real-time workforce data. Without accurate data and a way to track time-off requests, it stalls decisions around labour optimisation. Inability to maximise workforce efficiency is a huge hindrance for the business and inhibits growth.

The Consequence:

- ⊗ Increase in customer wait time when not enough staff is present
- ⊗ Too many employees rostered during slow times
- ⊗ Additional costs in locations with predictable rostering laws
- ⊗ Low engagement from sending employees home or last-minute call ins
- ⊗ Unnecessary overtime increasing overall labour spend
- ⊗ Unplanned absences and inefficient labour allocation
- ⊗ Employees taking more holidays than earned
- ⊗ Overstated time-off accruals cutting into bottom line

The Solution:

Ming needs a digital workforce management solution that allows him and his team to:

- ✓ Easily generate optimal rosters in alignment with business forecasts
- ✓ Monitor when and where overtime occurs
- ✓ Provide visibility and control on overtime
- ✓ Document reasons and identify causes for overtime
- ✓ Identify when employees are late or have other unplanned absences
- ✓ Document reason for unplanned absences
- ✓ Identify when an employee has an excessive amount of unplanned absences
- ✓ Automate accrual policies and monitor accurate use
- ✓ See accrual liability for annual leave plans

With a digital workforce management solution, Ming and his team will be able to optimise their workforce. They can truly focus on delighting their customers instead of worrying about inefficient labour allocation that ultimately drives up their labour spend and negatively impacts the business.



Did you know a digital workforce management solution can...

Increase Average Revenue per full time employee 4x compared to organisations with no automated absence and leave solution.

Problem #4

Inability to Prepare Detailed Labour Reports & Analysis



“We record all our labour data in multiple systems, excel sheets, and sometimes even paper! We have no ability to consolidate it. It’s a nightmare for my team and I to make decisions about labour allocation, cost reduction or investments without accurate data.”

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Hannah
CFO at a Pharmaceuticals Company



The Problem:

Hannah is the CFO at a pharmaceuticals company and struggles with collecting her labour data. In order to collect data, her team has to manually fumble through multiple forms of data, excel sheets, and papers with a high margin for error. It is near impossible to accurately identify where labour dollars are being spent. Her executive board is pressuring her to optimise the budget and reduce spend but without accurate data, she cannot make informed decisions on labour. As the workforce is a huge part of her budget, inability to optimise due to lack of accurate data is literally something she cannot afford.

The Consequence:

- ⊗ Inability to mine data, hard to manipulate data into meaningful information
- ⊗ Inability to make essential business decisions on labour allocation
- ⊗ Inability to optimise workforce and overspending on labour
- ⊗ Incorrect decisions about cost reduction and investments
- ⊗ Inaccurate reporting to oversight agencies

The Solution:

Hannah needs a digital workforce management solution that allows her team to:

- ✓ Have accurate data and real-time insights on spend
- ✓ Have visibility into the allocation of costs, broken down by different organisational units
- ✓ Produce selected reports based on need: Overtime & Other Premium Costs, Accrual Liability Reporting, Unplanned Absences Reporting, and more

With a digital workforce management solution, Hannah and her team will have visibility into their organisation's labour spend all in one place. Real-time, accurate insights help her team make business decisions about labour allocation and investments with confidence. They will no longer have to worry about manually merging data and can just simply run the reports they need. The result: An optimised workforce while increasing efficiency and productivity!



Did you know a digital workforce management solution can...

Return \$13.01 for every dollar spent with analytics.

Problem #5

Time Entry Control

“Our manual timesheets make it hard to keep time entry and labour allocations accurate. They are hard to read, often it gets lost and are prone to error or fraud.”



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Jayden
Payroll Manager at an Agriculture Company

The Problem:

Jayden is the payroll manager at an agriculture company and his employees pick produce on a farm. Employees are paid a premium per bushel collected. With the sun and the soil, it's not easy to record time worked for his employees across the field. Data connectivity is limited so paper is used but manual timesheets are extremely unreliable and hard to read. His employees have accidentally spilt coffee on them and he had to scramble to make accurate payments for that pay period. Jayden is fed up with this system and wants a change immediately.

The Consequence:

- ⊗ Inaccurate payment data and overpayments
- ⊗ Inefficient use of workforce and manager's time
- ⊗ Possibility of time theft



The Solution:

Jayden needs a digital workforce management solution that allows him to:

- ✔ Automate time collection through clocks, mobile and web based entry mechanisms
- ✔ Use biometrics to eliminate buddy punching
- ✔ An offline tablet that can be used by the crew manager to input collected produce numbers
- ✔ Have visibility into where employees are recording time via location tracking technology

With a digital workforce management solution, Jayden will no longer need to worry about inconvenient manual timesheets. Gone are the days of trying to decipher time recorded with bad penmanship and coffee stains. Jayden can now work more efficiently and have all the data he needs in one, easy to use solution.



Did you know...

65% of current systems require too much manual work, disrupting manager productivity.

Problem #6

Inability to Cover Diverse Workforce

“Our multiple production areas and different types of staff creates siloed workforce data. I don’t have visibility into my entire workforce because employees record time in different systems.”



Elijah

Manager at a Chemical Plant

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The Problem:

Elijah is a manager at a chemical plant with many types of employees from hourly to salaried to contingent workers. Each type of employee has different requirements to record time worked, absences, and other exceptions. They also have different pay premiums and pay rules across various jobs, work areas, and locations. Without a proper solution in place, Elijah is frustrated because he wastes a lot of time trying to consolidate data to make sure his workforce is optimised and accurately paid.

The Consequence:

- ⊗ Siloed workforce data across employee groups
- ⊗ No global visibility to detect labour gaps
- ⊗ Risk of inaccurate payments and overspending
- ⊗ Risk of noncompliance with labour/union rules for hourly employees

The Solution:

Elijah needs a single digital workforce management solution that allows him and his team to:

- ✓ Configure differently based upon employee type (salaried, hourly, contingent)
- ✓ Record time and be paid accurately in compliance to labour/union rules
- ✓ Pay each type of employee differently (pay premiums, pay rules, etc.)
- ✓ Pay contingent vendors directly to reduce time to close out accounts
- ✓ Report on work hours that can include both contingent workers and employees

With a digital workforce management solution, Elijah and his team will have accurate time recorded and compliant payments across his diverse workforce. He does not need to manually keep track of the different rules across his staff. He can now focus on developing his team and working on production goals since he will not spend the majority of his time calculating time and pay.



Did you know a digital workforce management solution can...

Reduce replacement costs for hourly workers by 17%, on average.

Problem #7

Accurate Cost Allocation/ Activity Based Costing

“It’s hard to keep track of our teachers who also coach after school sports. There is a different payrate and budget allocation for teaching vs. coaching. Without the proper system in place, we often overpay when we don’t have a big budget to begin with.”



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Chloe

Finance Manager at a Public High School

The Problem:

Chloe is the finance manager at a public high school who oversees payroll. With lack of funding in education lately, her budget is tighter than ever, yet she is still unable to accurately track her labour. A lot of the teachers at the school teach a subject class but also help with after school activities, which requires different pay rates. With so many teachers and staff to keep track of, she feels overwhelmed and needs help.

The Consequence:

- ⊗ Inaccurate labour tracking and reporting
- ⊗ Inaccurate payments and overpayments
- ⊗ Inefficient use of payroll manager's time
- ⊗ Overspending on labour budget



The Solution:

Chloe needs a digital workforce management solution that allows her to:

- ✓ Accurately track labour with different payrates
- ✓ Track labour against different cost centers and grants
- ✓ Separate budgets to analyse spend if necessary
- ✓ Ensure accurate compliant payments

With a digital workforce management solution, Chloe will not have to feel overwhelmed by time consuming manual processes to track labour and payments. With such a tight budget on education, she simply cannot afford to overspend. Now, with more efficient labour tracking solutions and optimised labour spend, she can make sure to maximise her budget to help improve student life instead.



Did you know a digital workforce management solution can...

Increase workforce utilisation by 12% compared to manual time and attendance processes.



Solve These Problems

Learn more about Digital Workforce Management

[Learn More](#)

About WFS

WorkForce Software is making work easy for the connected workforce around the globe. We provide enterprise and mid-sized organisations with real-time insights backed by pre-packaged domain expertise and proven flexibility. Our cloud workforce management solutions empower employees and managers to digitise time and labour processes, optimise demand-driven rostering, simplify absence management and enable strategic business insight. With complete visibility across all employee groups and locations, WorkForce Software equips organisations to reduce labour costs, demonstrate compliance and boost employee engagement, all while maximising operational efficiencies. For more information, visit workforcesoftware.com.

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**Statistic sources from
[2017 Workforce Management Trends Survey.](#)

