New Workforce Optimization Practices Integrate Technology and People to Drive Present and Future Business Success

The top trends in business challenges facing companies of all sizes are becoming increasingly clear. In a recent survey of 1,289 organizations collectively representing 20 million employees, research firm CedarCrestone found that 60 percent of respondents said their organizations are experiencing pressure to increase productivity and reduce labor costs, yet still maintain superior service levels. Key questions being asked in boardrooms across the country include:

1. How do we become more agile?
2. How do we move quickly when the market changes?
3. Where are we today as an organization?

As a business owner, executive or HR leader, how do you begin to answer those questions and plot a course of action for your organization? Workforce Optimization is a practice that is increasingly being adopted by organizations to help them align human capital with business objectives so that strategies can be implemented to drive success both today and into the future.

Workforce Optimization is “a category of technologies and associated practices that allow organizations to determine and execute the best course of action for new or predicted workforce challenges to strategies and goals that impact an organization’s business strategy.” In other words, it is an integration of technology (See Top 10 Technology-Related Initiatives on Page 2) that captures, organizes and measures data, and People who possess the expertise, tools and resources to guide organizations through the process of identifying and executing the best course of action moving forward.

Here are a few principles that can be applied as initial steps towards an optimized workforce within your organization:

1. Focus Forward
   Remember, you can only manage the future, not the past. Focus on leading indicators to shift your attention from past to future. Instead of reporting the number of people who left your organization over the last calendar period, identify the real issues that will impact strategic decision making such as:
   - Are those positions mission-critical?
   - Why did the employees leave?
   - What will be the loss of productivity or degradation of customer service, until we have replacements ready to go?

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2. **Convert Data into Knowledge**
   Automation enables you to obtain workforce-specific raw data and turn it into the valuable knowledge that improves the quality of management decisions. The CedarCrestone survey found that organizations where employees and managers are supported by automated tools to manage their competencies and to support reporting and analysis have significantly better financial performance.

3. **Impact the Bottom Line**
   Organizations that support their employees by encouraging their career growth and helping them find new opportunities engender employee loyalty, which in turn translates to lower turnover with reduced employee acquisition costs.

![Trends in Business Challenges](chart.png)

**Source:** CedarCrestone Inc.

**Top 10 Technology-Related Initiatives**
According to the CedarCrestone survey, the top 10 technology-related initiatives for 2010 (on which respondents spent at least 25 percent of their time and budget) were:

1. Business process improvements
2. Talent management processes and automation
3. Employee and manager self-service
4. Business intelligence/workforce metrics
5. HR systems strategy
6. System upgrade
7. Enterprise portal with HR information/transactions
8. Workforce management
9. Competency management
10. Workforce planning

- more -
To discuss how your organization can maximize employee and organizational performance, reduce costs and enhance profitability, contact PROXUS Principals, Jeff Green at 215-654-9140-ext. 102 - jgreen@proxushr.com or John Israel-ext. 110 - jisrael@proxushr.com.

Sources
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