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Operations Workforce Management: A Data-Informed, Digital-First Approach

As #WorkFromAnywhere becomes the rule rather than the exception, organizations face an important question: How can they increase their digital quotient to engage and enable a remote operations workforce to work collaboratively to deliver on client requirements and contractual commitments?

May 2021

Executive Summary

The pace of change over the last 12 months has far exceeded that of the previous few years. One key development is that #WFA is replacing traditional ways of working. Also, hybrid work models with select staff in offices and the rest based anywhere is becoming the norm.

With operations dispersed across many locations, organizations are challenged to gain real-time insights on staff productivity. Aggregating individual-, team- and department-level productivity data has always been difficult, but the pandemic with its resultant disruption in the operating models has compounded the issue.

Fluctuating business volumes also make it difficult to address variations in workloads and back-office capabilities across teams and sites. Plus, today's highly distributed processing environment makes it tough to deliver in a consistent fashion. Returning to normal operating levels is an uphill task, especially due to decades of underinvestment in digital solutions that, if properly installed, could have provided access to operational health indicators in a post-pandemic scenario.

So, what can organizations do to remain competitive amid the seismic shift to WFA?

Focusing on "interconnected behaviors" or "work patterns" of operations staff is a good starting place. New-age digital solutions can generate such insights to help leaders make informed decisions to reimagine how operations are delivered. As organizations digitally rewire to improve their ways of working, enhancing workforce engagement becomes easier by providing avenues for work and scheduling process optimization in distributed environments.

We believe a holistic, data-led, human-centric approach — one that infuses a process-mining-like focus to understand work patterns — should be used in conjunction with other digital initiatives. This white paper describes applying a workforce management (WFM) approach with a unique blend of digital and human imperatives: hyper-utilization, gamification, hyper-automation, commercial innovation and change management.
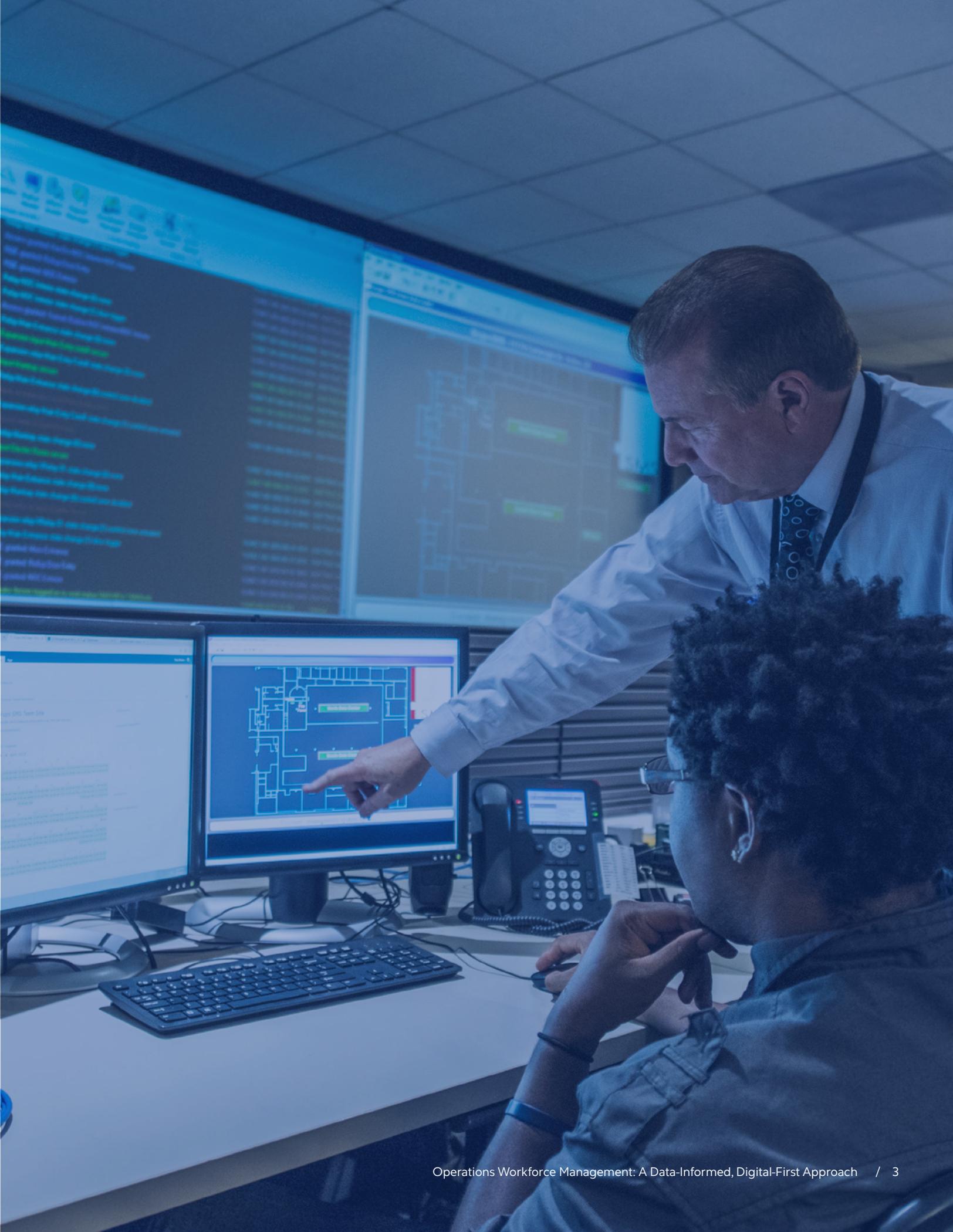
Understanding work patterns in a changed world

The initial phase of the pandemic was a period of unprecedented urgency concerning operations enablement. Millions of workers across industries moved toward a remote-working/work-from-home (WFH) operating model. Organizations provisioned hardware and collaboration software at breakneck speed as they prepared for the long haul.

As organizations enabled their operations workforce, a lack of visibility on key performance indicators and work patterns hampered remote delivery. Competing priorities in a WFH scenario where staff juggled daily production targets with domestic workloads caused significant upheaval in workforce management. Operations supervisors struggled to understand the performance of their teams across the dimensions of availability, ability, variability and engagement. Figure 1 depicts the key aspects of each dimension that were missing in "the new normal."

Gaining such insights on work patterns was next to impossible in the absence of effective digital solutions. Microsoft Excel trackers and traditional time-tracking software could not be scaled up to the complex needs of operations managers, which often go beyond productivity commitments and require real-time decision-making on key business priorities.

A case in point: Operations leadership at a leading global financial services firm that is a client of ours nearly overnight had to transition from aggregating such insights to manage a 3,000-plus staff workforce across six captive sites to grappling with practically 3,000-plus delivery sites.

Our analysis of work patterns of over 10,000 global operations staff supporting engagements across industries generated numerous insights pre- and post-COVID (see Figure 2), including:
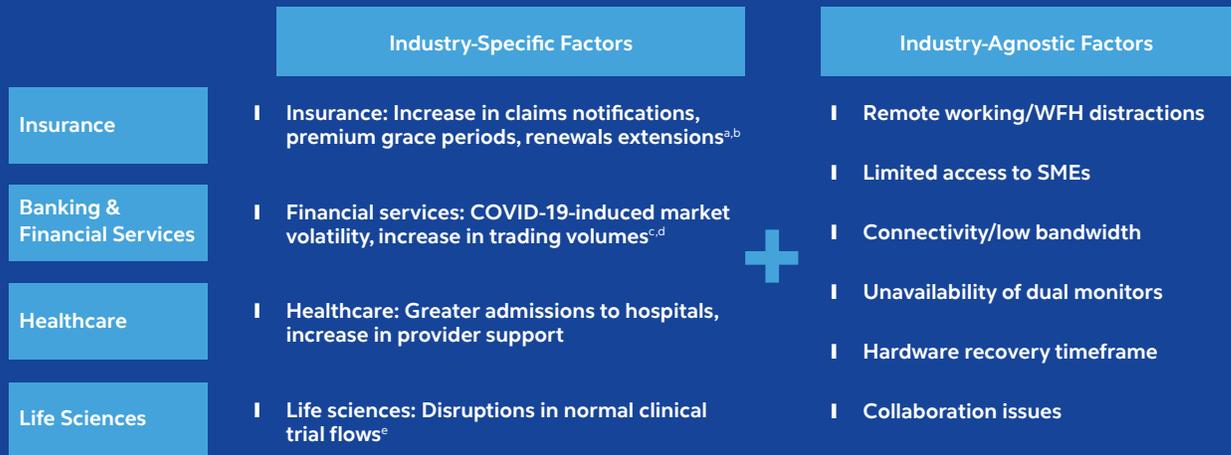
Missing workforce management ingredients

Availability	Ability
▮ Number of staff logged daily ▮ Capacity for workload ▮ Load balancing opportunities ▮ Right skills for right work	▮ Productive capacity ▮ Tenured staff/new joiners ▮ Peak performance levels ▮ Consistency
Variability	**Engagement**
▮ Interregional/ interdepartmental ▮ Bots/people ▮ Time trends (daily/ monthly)	▮ Staff morale and motivation ▮ Overtime ▮ Work/life balance ▮ Consequence management ▮ Gamification

Figure 1

▮ **There was an increase in the average number of hours spent on work systems by back-office staff.**

▮ **The average increase in productive hours of approximately 8-12% post-COVID compared with pre-COVID was consistent across industry sectors.**

▮ **The increase could be attributed to industry-specific and industry-agnostic factors, based on industry dynamics and processing environments.**

Pandemic productivity propellants

|	Industry-Specific Factors	Industry-Agnostic Factors
Insurance	▍ **Insurance: Increase in claims notifications, premium grace periods, renewals extensions**[a,b]	▍ **Remote working/WFH distractions**
Banking & Financial Services	▍ **Financial services: COVID-19-induced market volatility, increase in trading volumes**[c,d]	▍ **Limited access to SMEs**
		▍ **Connectivity/low bandwidth**
Healthcare	▍ **Healthcare: Greater admissions to hospitals, increase in provider support**	▍ **Unavailability of dual monitors**
		▍ **Hardware recovery timeframe**
Life Sciences	▍ **Life sciences: Disruptions in normal clinical trial flows**[e]	▍ **Collaboration issues**

[a] www.agcs.allianz.com/content/dam/onemarketing/agcs/agcs/reports/AGCS-COVID19-Claims.pdf.
[b] www.oecd.org/daf/fin/insurance/Global-Insurance-Market-Trends-2020.pdf.
[c] www.reuters.com/article/us-global-bonds-trading-survey-idUSKBN24Z1HS.
[d] https://ir.nasdaq.com/static-files/465d2157-c476-4546-a9f7-8d7ad0c9be77.
[e] www.mckinsey.com/industries/pharmaceuticals-and-medical-products/our-insights/covid-19-implications-for-life-sciences-r-and-d-recovery-and-the-next-normal.

Figure 2

We believe digital investments that generate insights on employee productivity can help organizations scale up their hybrid operating models, and that enterprises should institutionalize associated workforce management practices to support the changes. Gartner illustrates the heightened need for employee productivity monitoring as part of the "innovation trigger" phase within its "Hype Cycle for Human Capital Management Technology, 2020" research report (See Figure 3).[1]

Gartner Hype Cycle for Human Capital Management Technology, 2020
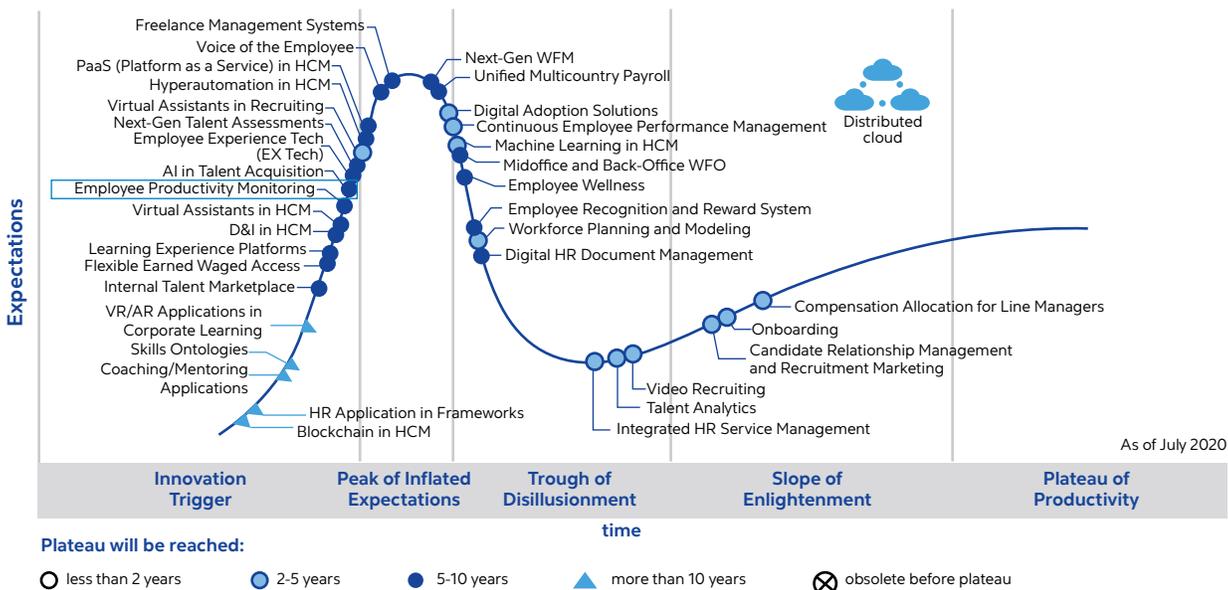
Source: Gartner

Figure 3

Hyper-utilization: Making every second count

Productivity is often a relative measure. For organizations driving efficiency improvement programs, the goal has always been to understand employee productivity using historical trends and variances across individuals, teams, sites and locations.

Increasing the productive hours quotient as a measure of total work hours has traditionally yielded an initial uplift in productivity. In the past, focusing on productive hours would have sufficed for most organizations.

However, in a world disrupted by the pandemic and facing top-line pressures, accelerating margin/bottom-line enhancement is now a key goal. This means that as incremental back-office capacity has turned scarce, the shift to productive output has become utterly essential.

Many organizations started accelerating the drive to increase the productive output quotient of their already stretched back-office staff. This was, however, not easy to achieve given the distributed spread.

We believe it is in these environments that organizations can reap significant benefits by combining process mining and WFM across operations flows (see Figure 4, next page). Process mining helps generate data on different ways or paths followed by staff (spread across sites/locations/teams) to complete a transaction, in order to unearth the optimal "happy path." Analysts can compare the different paths to reduce variations and provide visibility to staff to follow the optimized path. WFM incrementally provides organizations with an ability to inculcate optimized behaviors while proceeding down the happy path.

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The hyper-utilization equation

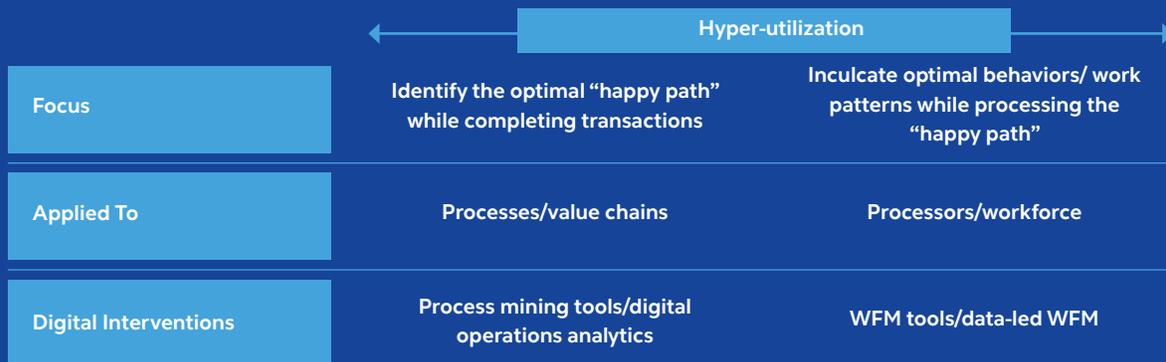|		Hyper-utilization
Focus	Identify the optimal "happy path" while completing transactions	Inculcate optimal behaviors/ work patterns while processing the "happy path"
Applied To	Processes/value chains	Processors/workforce
Digital Interventions	Process mining tools/digital operations analytics	WFM tools/data-led WFM

Figure 4

Optimized behaviors within processing value chains can help to increase productive output without incrementally adding capacity, thereby augmenting hyper-utilization. But how can the real impact of such optimized behaviors be measured to gain visibility into tangible outcomes such as increased processing capacity? The answer lies in leveraging additional metrics such as "occupancy" for tracking productive output. This should be a key component of any hyper-utilization drive.

Occupancy provides a measure of "user occupancy" calculated from average handling time, input volumes and productive time. Already prevalent in call-center environments, occupancy can be used extensively to generate actionable insights on work patterns across back office (non-voice/data) operations as well, to ensure that every second of the happy path processing is productive. These actionable insights are based on:

▌ Productive work output

▌ Incremental workload that staff can take on without disrupting their schedules

▌ Instances where productive output fell short of required levels

▌ Inter-/intra-performance variations

▌ Opportunities for cross-skilling to help achieve productive output

▌ Matching supply side and demand side dynamics

Gamification: Influencing employee behaviors

With greater visibility on critical work pattern behaviors, benchmarking performance levels across segments enables organizations to design HR interventions — such as customized incentive plans — to help boost back-office efficiency.

Playing the game

Traditional Approach	Gamification Led
Push staff to do higher production	Use game-led encouragement to staff to do more
Set productivity target for month	Offer incentives above target performance
Discourage unplanned leaves	Reward good behavior
Apply overtime in case of high volumes	Generate capacity within team

Figure 5

While traditional models focused more on "push" strategies, newer behavior-led models focus on the "pull" factor (see Figure 5) to facilitate increased engagement and motivation and thus improve productive work output. Introducing gamification helps to positively influence work pattern behaviors, just as it does by generating interest in children during early education endeavors.

In a distributed working model, the lack of physical contact and other traditional bonding mechanisms provided by office environments hampered employee engagement and efficiency. Gamification provides avenues for engagement through cooperative competition for individuals, groups and teams to drive toward a common goal.

We believe the combination of gamification and WFM is a potent means of driving productivity without diluting the employee well-being proposition. It takes the focus away from consequence management and provides a mechanism for more positive feedback, driven by:

❙ Peers (who are part of the same team/group/department) intent on improving an individual's way of working to help improve the group's performance in the game-led delivery model

❙ Leadership/supervisors who can optimize their time to actively encourage employees to be facilitators of productivity — such as skill enhancements, coaching interventions and alleviating organizational barriers to increase productive work output

❙ HR teams that recognize accomplishments, leading to higher employee engagement scores

Quick Take

Gamification-Led Behavioral Change at a Global Financial Services Firm

Our operations transformation approach combines gamification with other levers such as WFM and lean management to drive lasting behavioral changes.

For a global financial services client, we applied this approach to establish a "self-driven" culture for efficiency improvements. A performance matrix based on historical data generated via effective WFM helped benchmark staff production levels (i.e., highest output) across months. We then introduced gamification with a robust points-based productive output tracking and reporting mechanism for healthy competition among individuals and teams. We also created a slabs-based incentive model as a pull mechanism to provide staff with clear visibility on KPIs, inducing them to improve not only individually but also collectively for the team's benefit.

For this client, a yearlong operations tournament led to a 21% uplift in the productive output across individuals/teams. A nearly 95% reduction in the cost to achieve was attained as the initiative established a self-funding model for benefits realization without interventions external to the team. A sense of collective achievement, greater rigor and enhanced performance scores led to improved employee engagement scores.

Hyper-automation: How WFM accelerates process improvement

Intelligent automation has evolved significantly. The bot lifecycle — from development and release into production — until recently required niche technical skills and efforts. With the ease-of-use evolution of robotic process automation (RPA) tools, citizen development models[2] gained prominence and scale.

As armies of business/operations users took on the mantle of building bots as part of the "self-design, develop and manage" movement, organizations needed visibility on the efforts spent by such power/super users and other citizen developers on bot development while delivering on their daily transaction processing targets.

Additionally, hybrid staff (bots + humans) meant that while a process value chain benefits from efficiency uplift provided by bots, the human scope could slow end-to-end processing. This would defeat the objective established at the outset to improve operational efficiency via an increase in automation.

With the growing maturity of digital solutions such as WFM tools, accelerating the automation agenda became easier. Insights on work pattern behaviors of segmented back-office staff can enable organizations to:

▌ **Drive dynamic capacity management** based on an increase in visibility around the effort staff spend on software bot development compared with efforts spent on daily production volumes. Staff can be dynamically allocated to focus on critical transaction processing activities with clear visibility on the efforts required.

▌ **Monitor bot utilization using WFM tools** and take important decisions to **increase automation-related investments**.

▌ **Realize the true potential of employees** by obtaining insights on the end-to-end processing value chain and their contribution to overall efficiency objectives.

▌ **Redesign operations by applying usage and process-level insights** provided by WFM tools. Such data can help identify automation opportunities without the need for traditional shadowing techniques enabling directed efforts in a WFH scenario. This is gaining significant interest as organizations drive hyper-automation initiatives remotely.

In our experience, however, a WFM initiative cannot be driven in isolation without streamlining workforce activities. This requires strategic and tactical automation for various activities as part of the WFM initiative itself (see Figure 6, next page).

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Key WFM activities that should be explored for automation

Customized executive management WFM dashboard creation and distribution

Integration with HR systems for seamless update of onboarding/off-boarding/time sheets, etc.

Integration of WFM tools with transaction processing systems (workflows) for optimizing productive output

Archiving WFM artifacts for audits

Standard WFM user configurations and ongoing administration activities on WFM tools

Latent capacity calculations requiring data sanitizing for large populations

Workflows for work allocation and collaboration, to replace email-based flows

Figure 6

How superior WFM reinforces commercial commitments and innovation

WFM enables third-party operations partners to adhere to contractual commitments. Service providers can leverage WFM data for timesheet management, as the data captured automatically from these tools is proving to be the most credible source. Service providers can also remain in compliance with their commercial agreements by improving work patterns such as adherence to the required number of contracted hours, especially in the case of time and materials (T&M) contracts.

Organizations that want to improve WFM in their retained operations are generally wary of the inherent risks of any such project. Service providers may fail to deliver on their contractual commitments or proposed productivity-linked benefits due to a lack of visibility on the client landscape and the missing WFM ingredients. Pricing/commercial innovations therefore become key to delivering the value proposition by incentivizing both the client and service provider to drive improvements in work patterns. Clients can drive changes in work patterns to reduce their costs to achieve the benefits, while service providers can benefit from the nonlinear revenue potential.

A WFM offering can be reinforced for both the client and the service provider in the following ways:

❚ **Traditional linear pricing:** This is the most widely used pricing model to date. It includes linear payments based on WFM software licenses and fixed bid/time and material-based payments for implementation/advisory efforts. Simple in structure, this model eliminates the complexities around identifying, managing and tracking the benefits (release of latent capacity) from linked payments but still runs the inherent risk of delivery failure.

❚ **Deferred billing:** A variant of the traditional pricing structure, this model retains the periodic payment structure, but the payment milestones are linked to the delivery of benefits realization. The model, however, does not offer any incentive to the service provider on delivering the benefits and is invariably skewed heavily toward clients.

❚ **Gain share:** This is an innovative commercial structure that incentivizes service providers for delivery of commitments and mitigates risks for clients. In this model, the contracting parties agree on a gain share (percentage), which is applied to the savings/benefits that the client derives from the services provided. The payments are then linked to benefits identification and delivery.

Clients usually pay an upfront risk premium, which covers the service provider's initial expenditures for project commencement but also restricts the level of payout by the client in the event of under-delivery or missed commitments by the service provider. A brief period of baselining existing capacity levels allows the clients and service provider to understand the size of the opportunity in terms of latent capacity by deploying WFM tools that can help generate insights such as productive time, output, efficiency and utilization levels. Subsequent milestones are defined and linked to an event such as latent capacity identification, benefits realization through incremental addition of WFM coverage and rollout. Productivity benefits linked to the commercial proposition, therefore, act as a risk mitigant for clients.

WFM therefore acts as a significant lever to drive commercial value by:

❚ Unlocking value in fixed bid contracts

❚ Offering better control of T&M engagements

❚ Providing for direct correlation between efforts and delivered outcomes

❚ Reducing overtime and spare capacity

A WFM maturity model for back-office operations

Driving WFM is a complex undertaking that can easily turn into a messy affair if not handled well.

We have created a WFM maturity model derived from years of experience in enhancing employee behavior, managing engagements and driving workforce process improvements across multiple industry sectors for over 100 client organizations.

With change management at its core, our model ensures the necessary capabilities are in place to drive a successful transition through a set of repeatable and well-defined principles across the entire lifecycle of a WFM rollout. This encapsulates practically every dimension within the organization — from the conception of the initiative through the benefits realized.

Quick Take

Applying Modern Workforce Management in Healthcare

We helped a leading US healthcare services provider gain efficiency at scale via effective WFM. The client services over four million members across all 50 states and its ability to analyze data for providing its customers with insights and customized data services is critical. However, the provider lacked digital operations management tools, which prevented real-time visibility for staff work patterns. As a result, it became a serious challenge for the client to service its customer needs at the right time.

We applied our WFM model (see Figure 7, next page) to analyze key operational factors — such as digital maturity, input metrics and skills-based routing — that influence work patterns. Digital WFM tools generated visibility on key behavioral interventions (such as alignment to inputs, idle hours, completion rates and production variations among staff) to enhance real-time productive capacity.

Focused group discussions in partnership with HR and alignment to the client's transformation roadmap helped to seamlessly embed the changes in work patterns.

In a six-month period, its operations witnessed a 17% increase in productivity, enabling it to better align its services with end-customer requirements.

A holistic approach to WFM

Boundary Conditions

Critical to establish a set of prerequisites/toll gates (across legal, privacy, HR, audit, client mandates, security, employee well-being) prior to any WFM rollout

Communication

Framework for keeping all involved, responsible and accountable stakeholders informed on pre- and post-rollout aspects of WFM via time-relevant communication across organizational hierarchy

HR Management

Comprehensive catalog of well-defined HR practices aligned to WFM: people engagement, knowledge management, payroll and incentives, policy alignment, consequence management

Governance

SOP-led program governance defining key activities, milestones, stakeholders, roles and respon-sibilities, forums, artifacts and enablers across lifecycle of WFM rollout

Change Management

Service Delivery

Multipronged approach for service delivery — align to change by focusing on critical aspects while undergoing transformation without losing key contractual and delivery requirements

Legal, Privacy & Audit

Common guidelines for transition rooted in "privacy by design" concepts from a technology and process standpoint, covering standards, access management, retention, controls, usage management, risks and compliance

Technology

Scalable, modular, cloud-enabled and easy to deploy with API-led integration. Real-time intelligence with "out of box" dashboards customizable for geographies, teams, departments, hierarchies

Service Excellence & Transformation

Core principles defining opportunity ID, benefits realization and monetization with a series of interventions (hyper-automation, hyper-utilization, non-employee, etc.) across increasing maturity of service delivery for sustainable excellence

Figure 7

Looking ahead

Back-office operations are being reimagined continuously. The infusion of digital and innovative technology solutions such as RPA, collaboration tools, self-service portals, AI and process-mining tools will be the mainstay of any organization's business transformation efforts. However, humans will continue to form the core of any organization.

In people-centric environments, such as back-office operations, organizations will need to drive a holistic change — one that influences work patterns at a granular level. To get there, organizations must:

▪ **Create an empowering vision** to reinforce the criticality of driving changes across the workforce as part of operations transformation. This must be established by executive leadership at the start of any WFM initiative. The vision must highlight key aspects such as the extent of coverage of WFM (ideally, 100% across staff hierarchies involved in productive output), productive output goals/benchmarks based on organization mandates and the benefits realization possibilities in terms of work/life balance, all enhanced by business-critical KPIs.

▪ **Establish an organizational structure/steering committee** with representatives from legal, privacy, HR, operations, technology and digital transformation to enable every step of the change. A new organization/ group such as a WFM center of excellence (CoE) comprising change evangelists should be established to work with different organization teams to drive scaled adoption. This ensures a continued focus without conflicting priorities such as delivering on daily production. Ideal reporting lines for the CoE should lean toward the head of operations transformation and head of operations delivery — as these are the two key executives who are responsible and accountable for the success of any back-office WFM initiative.

▪ **Design an action plan that covers key aspects of workforce transformation** aligned to other organizational initiatives (such as digital and/or hyper-automation) that also influence work patterns significantly, with an overall objective of driving outcomes. The action plan should comprise milestone-driven activities (such as initiation and introduction, staff consent management, training, deployment, testing, data aggregation, insights generation and reporting, and outcome management), key responsibilities, timelines and fallback mechanisms in the event of adverse events.

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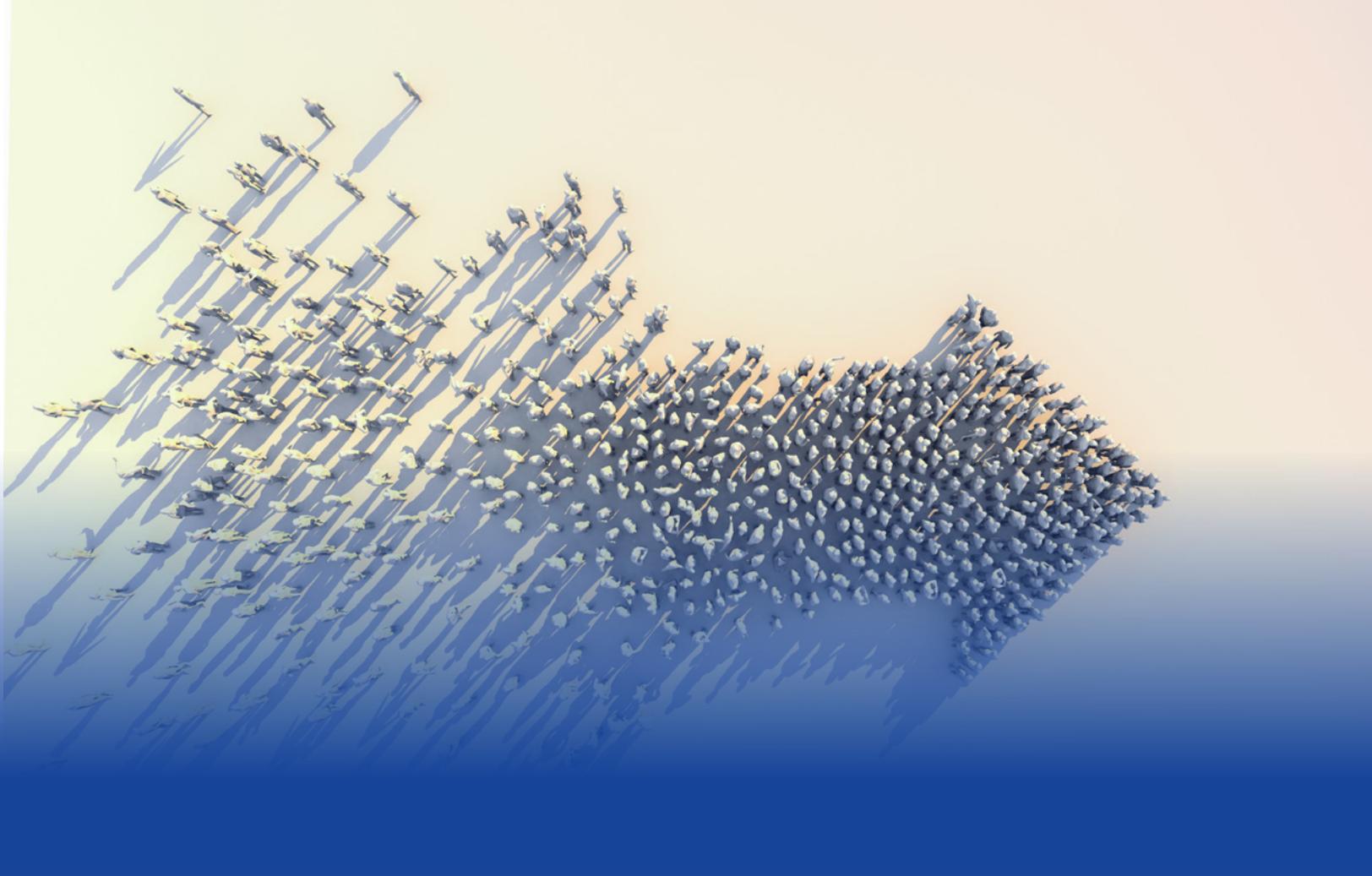
■ **Have clear lines of communication** across forums to ensure that the shift in mindsets percolates throughout, especially in current remote working environments. Key communiques to staff should include, at a minimum: mailers that introduce the initiative and its key objectives, features of the WFM tool/s deployed, instructions, etc. At the same time, keeping executive leadership updated on coverage/progress via digital dashboards is critical to ensure there is visibility on key factors (such as improved productivity and availability of latent capacity) that will aid in ongoing business-critical decisions. Monthly or more frequent focused group discussions and open forums in partnership with HR should be leveraged to identify undercurrents that may negatively affect the initiative and to address the issues in a timely manner.

■ **Leverage digital WFM tools for generating insights** on key work patterns and analyze data in the context of different employee personas — such as operations team members, supervisors or executive management — and the relevant industry drivers. The focus of persona-level insights (disseminated periodically, such as every week or month) and management is to educate and spread awareness among all key stakeholders concerning their challenges such as time management and productive output enhancement — and how WFM tools mitigate those challenges.

■ **Ensure objectivity and people-centricity** to influence behavioral patterns. Insights from WFM initiatives should not be leveraged for consequence management. Instead, they should provide visibility on which enablers can work for different groups/teams operating together. As such, focus should always be on step changes to provide avenues (via trainings, best practice share sessions and cross-skilling) for self-improvement leading to enhanced staff engagement.

Endnotes

1   Smarter With Gartner, "3 Trends in the Gartner Hype Cycle for Human Capital Management, 2020," Nov. 24, 2020, www.gartner.com/smarterwithgartner/3-trends-in-the-gartner-hype-cycle-for-human-capital-management-2020/.

2   "Citizen Development: Giving Power to the People to Boost Process Automation," Cognizant, May 5, 2020, www.cognizant.com/perspectives/citizen-development-giving-power-to-the-people-to-boost-process-automation.

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Manish is an Operations Transformation Lead in Cognizant's Digital Business Operations Practice. In this role, he focuses on enabling WorkFromAnywhere (WFA) for global clients through data-led workforce management and reimagining business processes via fintech/innovative solutions. He has 19 years of experience in technology and business operations engaging clients across industries in their transformation journeys, conceptualizing innovative business solutions and managing capabilities to deliver digital at scale. He holds a post-graduate diploma in management from S.P. Jain Institute of Management & Research, India. Manish can be reached at Manish.Purang@cognizant.com | www.linkedin.com/in/manishpurang/.

Digital Business Operations

Cognizant Digital Business Operations helps clients create and scale exceptional, human-centered experiences. By tying desired outcomes to operations and building flexibility, intelligence and creativity into processes, Cognizant Digital Business Operations enables modern businesses to confidently embrace continuous change.

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