Workforce Management in the New Normal

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Managing your workforce today is decidedly different than just a few years ago. Natural disasters, tariffs and trade wars, pandemics, geopolitical shifts and other natural and man-made events cause wild surges and troughs of demand for goods and workers. The migration to digital-native workforces and the gig economy also mean that the workforce itself has changed. And the technology available to manage the workforce is considerably more powerful, dynamic, flexible and capable, as well. This is the New Normal! And here is how you adapt.

We're not going back!

When disasters strike, the natural reaction is to think, "I can't wait for things to get back to normal." But "normal" today and tomorrow or next month or next year is not going to be the same as it once was. Scientists tell us that climate change will continue to create more frequent and more severe natural disasters. The globalization of the world economy means events anywhere can cause large shifts in demand, and the need for workers, everywhere. Polarization in politics, rising trade barriers and spreading nationalism will continue to foster geopolitical events that create uncertainty. Get used to it. We're not going back!

The workforce, too, has forever changed. The "greatest generation" and their amazing work ethic are rapidly leaving us. Baby boomers are retiring in ever greater numbers. The digital-native generation, millennials and Gen Z workers, are now the bulk of the workforce. They run their lives through their smartphones. Social media is their primary information source. They are more loyal to their friends and families and lifestyles than to a particular company or job. They want to be kept informed and engaged, and they will continue to want flexibility in scheduling and work assignments. If you're trying to manage today's workforce with the practices and tools you used last year, you're going to be frustrated, disappointed and unsuccessful. The workforce is not going back to the way it was. It's time to recalibrate workforce management for the new normal.

Surges and troughs

We are living in a time of extremes, where some retailers and manufacturers are struggling mightily to fulfill huge surges in demand while others lay off workers to preserve capital. The biggest shift is to pervasive online shopping. This will cause a permanent jump-step in buying behavior because once shoppers get used to the ease and convenience, they will continue to favor this alternative even as they return to stores.

The problem is, most companies are not ready to efficiently and profitably pivot to e-commerce representing a significant portion of their business. A study by KPMG and eft found that entering 2020 only 23% of manufacturers and retailers responded that they had an e-commerce strategy in place.

Workforce management practices and technologies are largely not ready for the shifts in demand and shopping behaviors either. Workforce forecasting and scheduling is usually based on seasonality and planned events or promotions. During a surge or trough, that goes right out the window. During times of stress, forecasting and scheduling may have to be based on what happened last week or even yesterday.

Basing schedules on the assumption that associates fill specific roles may also be problematic during times of hyper fulfillment and replenishment. Store associates who are normally cashiers may be picking orders and delivering them curbside. Other store

associates may be stocking shelves part of the time and delivering orders to customers' homes the rest of the time. Retail locations may rapidly transform to dark stores, along with an associated shift in workforce roles, to accommodate sudden shifts in demand. Forklift drivers may intersperse loading pallets into trailers with picking and packaging online orders. The possibilities for altered roles are endless. Can your practices and support systems dynamically adjust to this new reality?

The new workforce

The bulk of today's workforce, especially in retail, is younger than baby boomers. While the baby boomers grew up in the '60s and '70s during the anti-war/peace movement, women's liberation and the equal rights marches, today's workforce grew up with climate change, sustainability and LGBTQ equality movements. And while boomers "tuned out" in the '70s, current workers want engagement. Even though they are often more interested in friends and lifestyles than careers, and want the flexibility of the gig economy, they nevertheless want to feel engaged in an enterprise that is making a difference in the world through sustainability programs or superior customer service, for example. This paradox defines and complicates how to manage the new workforce.

Consider several factors that define the new workforce and how you must manage them.

- **Digital-native:** They don't prefer face-to-face communication or phone calls. They communicate through apps and social media. If you want to reach them, that's how you'll have to do it. On the plus side, if you want to deploy new digital technologies in stores or warehouses, they will accept and learn them much quicker.

- **Lifestyle-centered:** While your baby boomers may still prefer fixed schedules, the new workforce prefers flexible schedules they can adapt to their lifestyles or to care for their families. Your forecasting and scheduling capabilities must accommodate this flexibility.

- **Well-educated:** The new workforce is generally better educated than previous ones. They want to be engaged, solve problems and set their own course. This means they can often work autonomously with little direction. This is important both for remote workers, which is becoming more common, and for how you structure and manage jobs. Mobile technology is a must for this workforce.

- **Diversity:** Today's workforce is more diverse than previous generations. More women, more minorities, more immigrants and more openly LGBTQ. The legal focus on protecting the rights of these groups demands that scheduling and job assignments must be fair and equitable and must be tracked continuously for verification. Automation is the only way to accomplish this.

- **Gig economy:** Many of the younger workers in retail stores and warehouses don't see their jobs as part of a career path, but rather, as a means to finance their lifestyles. This gig mentality means traditional incentives such as training programs or promotions aren't as effective. Retention of these associates can better be secured through flexible scheduling, easily swapping shifts or other lifestyle-friendly capabilities.

- **Robotics:** Some members of the new workforce might not even be human. Robotics are increasingly being used to replace work once done by associates, often intermixed with their human counterparts. Your workforce forecasting and scheduling capabilities must be able to factor in robotic output with the human side of the equation.

It's clear that to effectively and profitably navigate the twists and turns, surges and troughs of the new normal world economy while also being able to productively engage, motivate and retain the new workforce requires the support of new technology with capabilities beyond what was used in the past.

New workforce management technology

The new workforce management technology is more powerful, flexible, capable and dynamic than available in the past. It is driven by visibility to a wide array of demand signals, underpinned with a platform of artificial intelligence (AI), machine-learning (ML) and analytical capabilities, to more accurately anticipate and interpret demand, both long-term and sudden changes, and dynamically turn those demand signals into workforce forecasts and schedules.

It also contains all the tools needed to productively manage, motivate, engage and retain today's workforce. And importantly, its capabilities cover the entire enterprise from retail stores and warehouses to manufacturing and administration because each of these organizations face similar workforce challenges.

Forecasting

All managers across the enterprise need to forecast the number and type of associates by role necessary to handle expected workloads. This is traditionally done by analyzing past historical factors such as sales, seasonality and events, then weighing those trends against expected future orders, promotions and events or conditions. This works well when the world proceeds as expected. But in the new normal, disasters, pandemics, trade wars and other geopolitical events, as well sudden shifts in demand caused by social media endorsements, rumors or fads, are dominating more of the demand curve. Forecasting capabilities must be able to dynamically adjust to these rapidly changing signals.

Therefore, the new forecasting technology must be able to employ traditional forecast models while also having visibility to demand changes as they develop. This requires access to social media, news, events and weather (SNEW) that provide the clues to demand surges and troughs. It must also understand workforce capabilities, skills and productivity by role, including the impact of robotics and automation, to accurately project workforce requirements in the long and short term down to daily needs. The ability to dynamically adjust historical forecasts for rapidly evolving demand shifts is critical for navigating the new normal.

Scheduling

Scheduling in the new normal must be even more dynamic than forecasting. On the one hand, it must be able to adjust schedules for the potential daily shifts in demand forecasts, as well as recognize that associates have varying skillsets and may fill multiple roles during the same shift. On the other hand, it must accommodate the constant fluctuations in preferences and availability of the new workforce. This ability to dynamically balance changing demand with fluctuating resources is what differentiates the new workforce management scheduling technology.

While balancing forecasts and resources is a mathematical challenge, satisfying the new workforce's work, family and lifestyle preferences is almost an art form. In addition to accommodating fixed preferences such as "I can't work these days/ hours because I have class" or "I can't work second shift because that's when I care for my elderly mother," the scheduling engine must seamlessly handle the daily shift swaps, call-offs and time-off requests important to today's workforce. These daily requests must be handled by mobile apps that are simple and intuitive to use. Managers should be able to use the apps to approve shift swaps and time-off requests. And once a call-off is automatically posted or time-off is approved, the scheduling app should

immediately post those shift openings for other associates to bid on.

Task management

Once the right number of associates with the right skills to fill needed roles are scheduled for the day or shift, the next requirement is to assign the right tasks to complete in the right timeframe. This is the role of task management within the new workforce management capability. Task management considers all of the work to be completed and assigns the tasks based on priority, time to complete and available resources. For example, online orders for store pickup (BOPIS) will be tasked based on promised pickup times. This ensures the most important tasks get competed on time in the most efficient way.

Labor management

While task management decides what work should be done, labor management focuses on how the work should be done, or in other words, what is the most efficient way to complete each task and sub-task. For example, when picking and labeling cartons for shipment, it may be more efficient to have the label in one hand and slap it on the carton as it is picked rather than picking the carton first and labeling it afterwards. Or the solution will direct a store associate on the most efficient sequence in which to pick an online order for pickup in the store to minimize time and travel distance.

These efficient methods for completing tasks and sub-tasks are developed by scientific analysis through engineered standards or time-studies. The task time standards are used to determine how long the work should take, as well as in scheduling and task management to help determine workforce

requirements. Once associates complete the work, actual times are measured against the standards to monitor productivity and to indicate where more training may be needed or where layout or equipment issues may need to be addressed.

Task management and labor management drive greater efficiency in all market conditions, but are especially important during times of surge and stress to ensure the most work, and the highest priority work, are completed in the most efficient manner.

Mobile-enabled

No discussion of the new workforce management technology would be complete without emphasizing that it must be mobile-enabled. The world is now infinitely connected through smart technology and the internet. Managers and associates always have their smartphones with them at home, on the go and at work. To not take advantage of this in all aspects of workforce management would ignore opportunities for greater efficiency, communication and associate job satisfaction. This is also the new normal.

Workforce management in the new normal

The world is a different place today than we knew it just a short time ago. It is more unpredictable, with more frequent and severe swings in demand and requirements for labor. Even after surges in demand subside, the world is never going back to the way it was before. This is the new normal.

The workforce has also changed. Millennials and Gen Z now dominate the workforce and they have different needs, preferences and lifestyles. And they're digital-native. Managing and motivating this workforce, and driving the greatest efficiency from them, requires a new generation of workforce management capabilities. This new, more powerful, dynamic, capable and mobile-enabled technology is the foundation for effective workforce management in the new normal.

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