A STUDY ON THE ROLE OF RESOURCE MANAGEMENT GROUP (RMG) IN THE IT INDUSTRY

Prabhakar Cherukuri*[1]

[1]Director, RMG, Bristlecone, Pune, India.

ABSTRACT

In the current economic scenario especially of IT Industry, with rising manpower costs, operating costs and retaining high talent, it has become extremely important to have an exclusive function in every large and medium size IT Organization to handle these. This need is one of the primary reasons for the emergence of Resource Management Group (RMG) or Workforce Management (WFM) in the Industry. This Function's major deliverable being the tactful management of demand and supply of people in the Organization, but there are multiple other nuance activities come into play while meeting the higher goal for the organization. This function creates/maintains Policies working with other stakeholder functions in the Organization which are relevant to its deliverables.

1. INTRODUCTION

Resource Management Group (RMG) or Workforce Management (WFM) Team is said to be as old as Pyramids. More than 30,000 workers were engaged in building one Pyramid thousands of years ago. These workers were from different locations, diverse skills, competencies and experience. There were different 'Masters' for a group of workers; whose job is to engage them in the work based on the Plan given by the 'Architect' and ensure completion of work on time with right quality.

With the industrial revolution and mechanization, the world has almost forgotten this function largely. It was primarily due to smaller organizations and consolidated work done by Managers themselves. The other reason is that major worker related issues were handled by IR (Industrial Relations) or HR teams directly.

2. ROLE OF RESOURCE MANAGEMENT GROUP (RMG)

After the emergence of IT Industry, the need of a special group felt to handle multiple employee related issues. Since the IT Organizations have started growing large, now it became the dire need to have a specialized group managing their internal employees with a balanced approach. Resource management is all about finding the right people for the right projects at the right time. This group primarily manages the internal employees and balances between demand and supply. The demands are raised with details such as Client Name, Primary and Secondary Skills, Start Date, Duration, Location, detailed Job Description etc. While identifying the supply based on the demands, the RMG team closely works with all other stake-holders of the Organization.
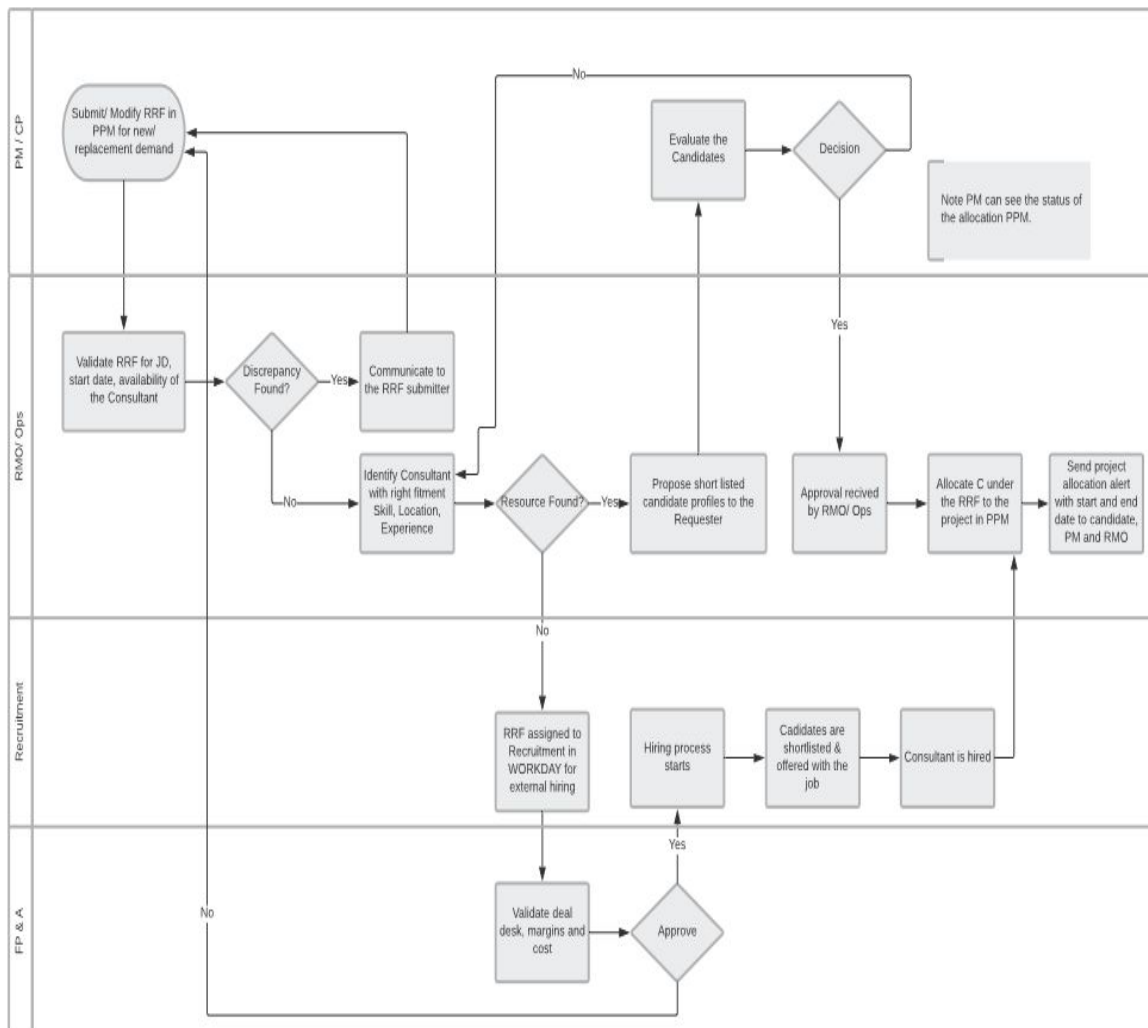
Major deliverables of RMG can be represented as below:
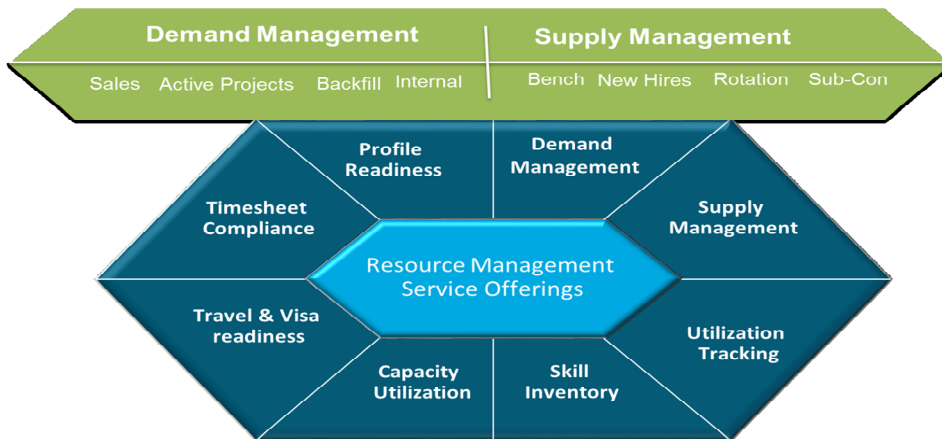
3. STAKEHOLDERS

RMG/WFM works closely with multiple stakeholders of the Organization starting from the CEO.

i. Leadership Team
ii. Sales & Presales Teams
iii. Practices/Vertical Leaders
iv. Delivery & Project Management Teams
v. Recruitment
vi. HR
vii. Immigration
viii. Finance
ix. Consultants

Multiple Organizations follow different processes for their Demand and Supply Management under their RMG. In my study, I found below process as one of the best and simple workflow followed across many Organizations in the industry.

From multiple deliverables of RMG, below are major and key to the success of the Organization

4. DEMAND MANAGEMENT

Demand Management covers the process of receiving requests, fulfilling the requests within the agreed time-lines and with best fit people. Based on the Organizational Business Plan, the demands are planned and forecasted by RMG.

The resource requests arrive through various sources and for multiple reasons (Sources of demands).

Demand type	Source
Upcoming demands	Sales Team informs the capacity needed
New Requirements	Delivery/Project Manager requests for new demands based on his/her Project Plan
Replacement demands	Delivery/Project Manager requests for new demands based on the existing employee performance/resignation
Proactive Hires	To plan for capacity enhancement for future requirements

4.1 Supply Management

Once the Consultant is formally allocated to the demand in the Project with an end date, the demand is treated as fulfilled. As and when the Project Manager releases the Consultant, he/she comes on to Pool (largely called as 'Bench'). This is called as 'Available Supply'.

This team of Pool are of multiple skills/experience and levels. These Consultants are engaged in multiple activities across the Organization (such as Internal Projects, New project familiarization, Presales activities) by RMG. RMG also initiates few proactive Visas based on upcoming opportunities and needs. This would make the consultants travel ready and motivates them.

Based on the need, the RMG team gives notice to Hiring team to start working on the requirement to fulfil by hiring people.

The RMG team also gathers feedback about these Consultants on Pool from their past projects. This feedback helps in nominating them for Trainings, upgrading their skills either technical or behavioral. Usually these trainings are mandatory for people on Pool.

This supply is visible across the Organization to stakeholders, to enable all know the skills available and soft-block based on their need.

Utilization

Based on the available Capacity and people deployed in Projects, the Utilization at Organization is calculated, which is one of the KPI of any IT Organization. The input of this information is the Timesheets submitted by Consultants.

RMG always makes sure that Consultants submit their Timesheets on time and accurately.

Competency

RMG also defines the technical skill framework for the Organization. Each skill falls under one of the skill family. The framework also defines the Core and Non-Core skills. The Core and Non-core nature of skills defines the timelines till which a Consultant can be maintained in the 'Available Supply' or Bench.

Based on the guidelines defined, RMG recommends certain actions to the Practice/Vertical or HR.

Project forecasts

Maximizing the profitability of a project (or of an organization) requires more than just managing actual costs, revenue, and profit. RMG works with Delivery/Project Managers to forecast the availability of people and next steps for future projects.

Metrics & MIS

RMG publishes metrics to stakeholders for their information and support where needed. Some of these are:

➢ Head Count Report
➢ Bench/Available Pool Report
➢ Open Demands
➢ Demands fulfilled
➢ Cost of Bench
➢ Skill availability and Need to build
➢ Utilization

5. CHALLENGES FOR RESOURCE MANAGEMENT GROUP (RMG)

Resource management challenges are the top issues facing organizations today, according to PM Solutions Research. This finding first surfaced in studies conducted on other topics in 2016 – 2017, as well as during roundtable discussions at our Benchmarking Forums 2009 – 2016.

➢ Manual activities and huge cost

➢ Resource capacity planning is poor

➢ Resource risks are not assessed

➢ Not enough appropriately skilled resources

➢ Resource use is not optimized

➢ Schedules/deadlines are unrealistic

➢ Too many unplanned requests for resources

➢ Resource utilization is poorly documented

➢ Shifting resources to respond to problems

➢ Transition process for resources is inadequate

Because resource shortages and conflicts can plague your ability to deliver, understanding the resource capacity and skill sets that exist within your organization give you the ability to balance demand and apply the right resources at the right time. This ability can make the difference between successfully executing strategy and failing — failing to meet deadlines, deliver projects and services with the desired quality, or serve the interests of stakeholders.

Further bad news is that resource management maturity is low in organizations. 74.4% of organizations are at maturity level 1 or 2 according to a study. Organizations experience significant challenges in all components of resource management, but particularly in resource planning and estimating; they even fail to practice many of the resource management standards noted by the Project Management Institute. To compound the problem, there is a significant disconnect between decision makers who assume that there are enough resources for all projects when there often are not.

Almost half (47.9%) of all organizations use automated information systems to assist in resource management functions; but those who do are lukewarm in their description of the value of those systems. Of those who used these systems, almost half (47.3%) thought they did not accurately calculate resource forecasts. More than half (55.0%) said their managers did not use the systems consistently or effectively.

Strategies to improve the effect of Resource Management:

• Strategy #1: Automation of Resource management to the maximum

• Strategy #2: Project portfolio management, which supports resource management maturity

• Strategy #3: Standardizing project management culture and results through training and methodology.

6. RESULTS

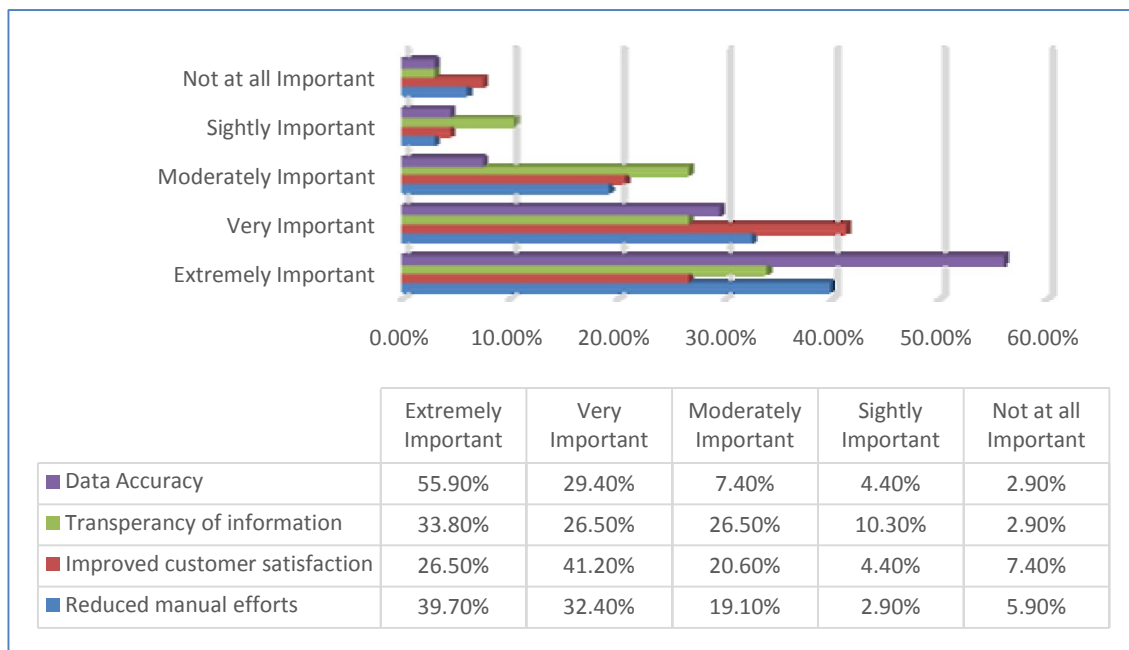I could find that by following the above strategies, results can be as below:
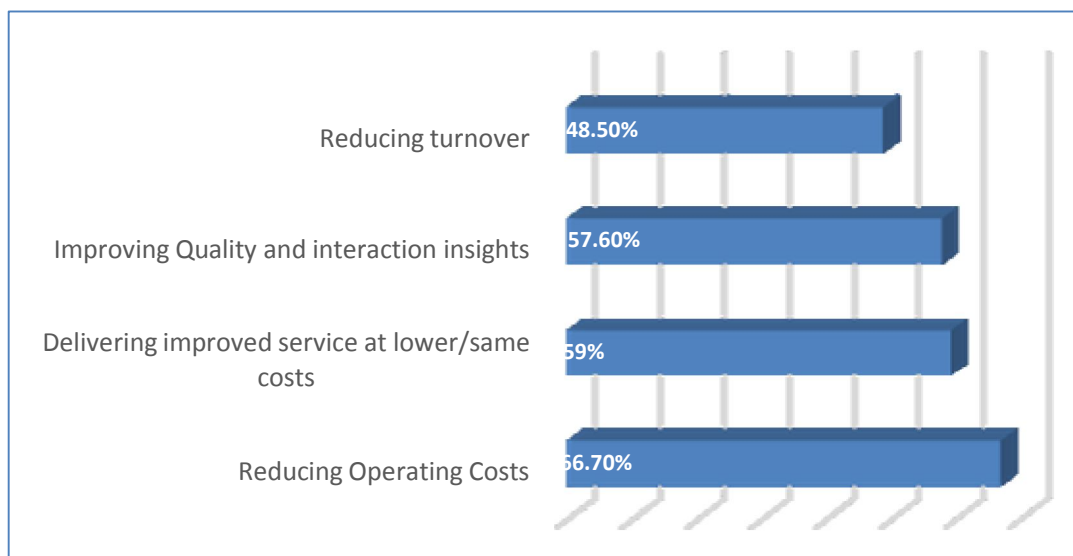
Based on the need and growing demand, many organizations are moving towards Cloud solutions. In my study, the trend looks like below:
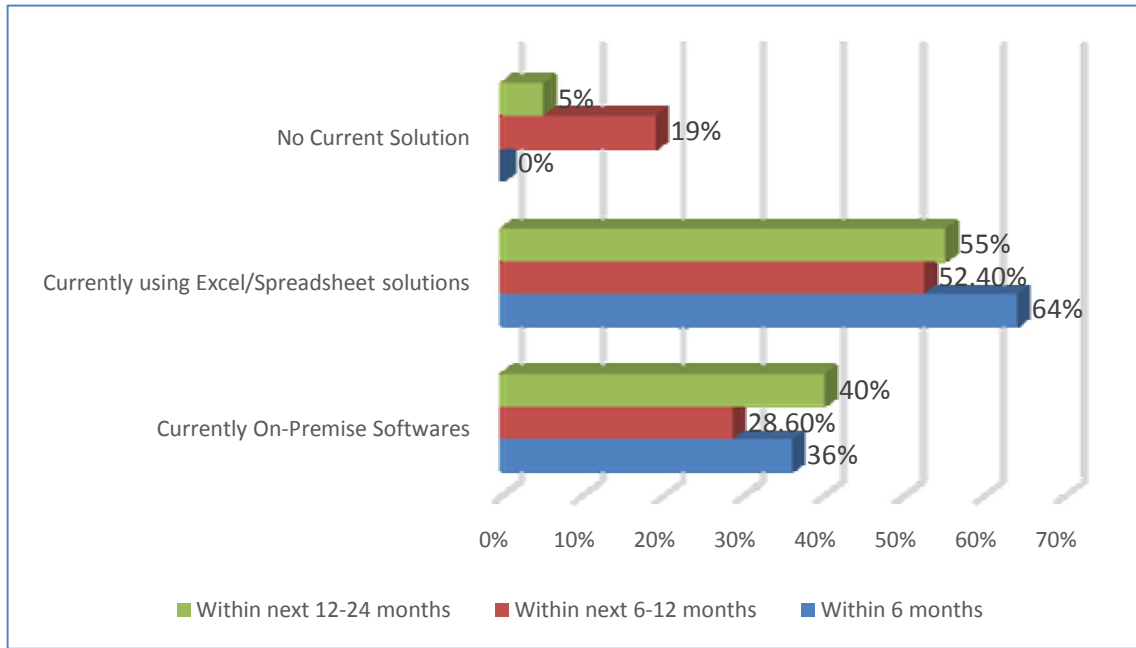
Based on the above, it looks like many organizations currently on manual solutions, plan to move to automation tools either to cloud based or on-premise quite soon.

How important it is moving to an automated solution on priority basis. What desired benefits moving to an automated solution would give?

	Extremely Important	Very Important	Moderately Important	Sightly Important	Not at all Important
■ Data Accuracy	55.90%	29.40%	7.40%	4.40%	2.90%
■ Transperancy of information	33.80%	26.50%	26.50%	10.30%	2.90%
■ Improved customer satisfaction	26.50%	41.20%	20.60%	4.40%	7.40%
■ Reduced manual efforts	39.70%	32.40%	19.10%	2.90%	5.90%

7. CONCLUSION

Establishing the Resource Management Group (RMG) as the communication center for all Workforce Management makes it possible for the entire organizational culture, from executives all the way through project teams, to communicate in a common language and work together. In its primary role as Demand and Supply management team, it is very

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important that the RMG team get enough support from other functions and get the benefits at Organization level.

With changing times, the role of RMG/WFM team's deliverables and KPI also have enhanced and not limiting to only fulfillments. This team discusses with Consultants and contributes to reduction of attrition in the Organization, provides career path to the consultants, does financial forecasting based on the external hiring and controls utilization. This team can be further efficiently managed by automating its multiple manual activities and integrating with other tools of the Organization.

REFERENCES

[1] Study on Workforce Management by Project Management Institute (PMI).

[2] Paper by PM Solutions on Resource Management and PMO.

[3] My personal experience in last 15 years in the IT Industry.

[4] Informal survey done and information gathered from multiple organizations.

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