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Modern Workforce Management: How to Effectively Manage Time, Labor and Leave

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“Although the processes that comprise workforce management, such as scheduling, timekeeping, and leave management, are geared toward saving time, reducing errors, and boosting profitability, the operational gains are only part of the story. Each of these activities touches on matters that are sensitive and deeply personal for employees: when they work, how they work, and their rights when they take leaves.”

MARC MOSCHETTO
“KEY TRENDS IN WORKFORCE
MANAGEMENT AND NEW CHALLENGES
FOR HR”
EMPLOYEE RELATIONS TODAY, 40: 7-13

Attracting and retaining highly skilled and qualified employees is challenging. To combat this challenge, companies have introduced incentivized pay policies, fellowships, short-term rotational programs, global assignments, as well as telecommuting to help retain high-quality employees. However, the introduction of these incentives has dramatically complicated the payroll process and the tracking of labor hours (time, absences, travel, global holidays, rule differentials). Many of these processes around pay and payroll are still manual – resulting in inconsistencies in pay for employees and departments, non-compliance with local and global regulations, and spending too much time on administrative tasks. Companies that successfully implement Modern Workforce Management systems are able to combat this challenge.

Increase Accuracy, Insight, and Compliance with Integrated Workforce Management

Workforce Management has evolved over the years, as decision-makers shift their focus from a compliance and automation perspective, to how HR can use these solutions across the enterprise to achieve broader organizational goals. As Workforce Management has gained significant adoption, 88% according to the Sierra-Cedar 2016-17 HR Systems Survey, HR leaders are looking to be more strategic, answering questions such as “how do I make sure the right person is on the right project at the right time, to meet my business needs?” While compliance and automation, traditionally drove the adoption of workforce management for many years, the field has evolved rapidly in more recent years.

Today, effective workforce management encompasses all the activities needed to maintain a productive and cost-effective workforce. This means automating time tracking for all employees, managing absences and leave with consideration to regional labor laws and reporting requirements, and efficiently staffing projects to ensure that the right labor mix is available at the right time – at the right cost – to meet evolving business needs.

By providing integrated tools that expand beyond traditional compliance and automation activities, HR organizations can become more strategic in how they deliver value to the rest of the business. As companies and employers have started to automate their time tracking, they also dramatically increase their use of labor modeling and real-time analytics¹. As a result, HR departments are not left with a hodgepodge of disparate tools and legacy information systems— they have connected, integrated systems that meet the requirements of modern enterprises today.

¹ Chertok, Zachary. United States. Aberdeen Group. *Time and Attendance: The Backbone of Effective Management*. 2016.



USE TECHNOLOGY TO DRIVE WORKFORCE MANAGEMENT

- » Reduce data-entry errors through self-service time reporting and automated time capture
- » Reduce the administrative costs of manually scheduling employees
- » Monitor absences against schedules to gauge productivity lapses in real-time
- » Provide rules-based calculation of gross pay and absence accruals
- » Reduce overstaffing costs through utilizing employees to the best of their ability and availability
- » Align employees to the demands of the business
- » Reduce productivity loss due to unplanned absences

Integrate Your Time and People Data across the Enterprise

By linking time, labor, and leave management with payroll and financials information from across the HR function to the rest of the enterprise, an integrated workforce management system enables you to adopt the following best practices.

• **Standardize processes.** When it comes to how time is tracked, pay is calculated, and vacation and leave are distributed, consistency and transparency are key. Employees need to understand the processes and policies behind these calculations, and see that they're being applied fairly. External parties need visible proof that employers are executing policies in compliance with all applicable laws and regulations. A good integrated workforce management system facilitates both by allowing administrators to implement and configure policies according to the rules, validations, and definitions of their business.

• **Automate time, labor, and leave-tracking.** You would be hard-pressed to find a manager in any business who wouldn't rather be managing employees than managing time sheets. By automating tedious tasks such as tracking time data and leave management processes, you not only improve data accuracy (meaning fewer payroll errors) and reduce labor costs (through improved time-tracking), but you also free HR and management personnel for more-strategic tasks such as accommodating worker's schedules to meet business goals. By automating the tedious tasks, you allow for a human touch to be added for strategic initiatives.

• **Deliver an engaging user experience.** All the self-service time-, absence-, and leave-management functionality in the world will not be enough to yield the error reductions and productivity gains that your HR department dreams of if your employees aren't able to enter and view relevant time information on the devices that they use. It's not enough to provide online self-service built for a laptop or desktop experience; employees need to be able to access these solutions on from mobile devices and tablets. Furthermore, the solutions should be quickly configured and personalized to meet the unique industry and employee needs.

• **Generate real-time analytic insights.** The information you get from your workforce management systems doesn't have to stop with hours worked and vacation earned. Get real-time insights on trends and key performance indicators such as increased overtime, or too many hours for part-time workers. With an integrated workforce management system – you're able to blend and combine data ranging from absences and hours worked to payroll, projects, and other Core HCM data to generate new insights to the business. Providing the ability for HR decision-makers with easy to use tools, without relying on IT or data scientists to interpret the data, can help HR address broader business challenges such as how to adequately staff projects and improve employee performance quickly, and justify their decisions with data.

Time and Labor

Much has been made of the gains in productivity, accuracy, and savings that can be attained by automating time recording and management. According to a recent

“Employers operating in the United States can now be responsible for adhering to more than 300 state regulations from coast to coast, as well as mandatory sick-time ordinances in certain major cities and the leave policies specific to the organization.”

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Aberdeen study, organizations that have implemented automated workforce management solutions have reduced labor costs by 31 percent, improved data accuracy by 36 percent, and reduced time spent on workforce management by 39 percent for HR.

As impressive as these improvements are, there are often other aspects that are overlooked in successfully getting employees to use and adopt workforce management. Improved scheduling, reduced manual processes, clear visibility into hours worked, and a full understanding of the policies governing time and attendance all lead to happier, more productive workers. As companies mature in their adoption of Workforce Management, they need additional functionality to help achieve their goals. According to the Sierra-Cedar 2016-17 HR Systems survey, in 2015 there was a 40% increase in the adoption of workforce scheduling solutions.² An integrated workforce management system facilitates all of these benefits by providing a rules-based time recording and management solution that connects leave management, payroll, scheduling, project management, and expense data to provide complete workforce visibility and control. Organizations should be able to apply the following time and labor best practices.

- **Make it easy for employees.** Provide self-service time entry and management across the devices that employees use. Reduce errors and free HR staff by enabling employees to enter their own time and attendance data via calendars or time cards. Drag-and-drop functionality, simple time-entry dialog boxes, and slider tabs that reveal details of accrual balances make it fast and easy for employees to record the time they've worked and track the benefits they've accrued.
- **Make it easy for managers.** Provide a flexible time and labor system that can be configured according to business and workforce needs, and allow managers to manage time by exception. Use a configurable rules engine and templates to validate and approve time entries, apply overtime and premium rules, deliver automated approval rules (so managers only need to approve exceptions), and design time cards and calendars to suit each member of your workforce in every locale— without involving IT or taking a class in programming.
- **Make it easy for the enterprise.** Reduce risk by increasing insight. Although a time and labor system offers plenty of benefits of its own, when such a system is integrated with scheduling, payroll, project management, and core HR systems, the benefits soar. Indeed, organizations that integrate time and attendance with payroll see payroll processing errors drop by 30 percent, and time-tracking errors fall by 32 percent. And they avoid the 6 percent year-over-year increase in manual workforce transactions experienced by organizations without integration

Absence Management

How many employees know off the top of their heads how much vacation and personal time they've accrued? And how many managers have a firm grasp of an employee's current and future absence accruals, entitlements, and time previously taken before scheduling, recording, and approving additional absences? Chances are, not many—

² Harris, Stacey & Spencer, Erin. Sierra-Cedar 2015-2016. HR Systems Survey 19th Annual Edition. 2016.



“Organizations that integrate time and attendance with payroll end up spending less money and use fewer resources to execute critical HCM processes. With savings like this, organizations can allocate these freed-up resources to reinvest in their business, focus on strategic priorities, and improve overall business performance.”

ABERDEEN GROUP
“TOTAL WORKFORCE MANAGEMENT
2013: THE STATE OF TIME AND
ATTENDANCE”

and that number drops further still when factoring in what holidays employees in various regions are entitled to, the regulations surrounding global leave-taking, and the availability of team members to cover for planned and unplanned absences.

All these are key questions, yet without an integrated workforce management system, many—if not all—of them go unanswered, forcing organizations to take huge hits in productivity and efficiency. For organizations that have implemented such systems, however, the scenario is quite different.

As an integral part of any workforce management solution, rules-based leave management applications provide a single interface from which organizations can implement absence policies consistently, manage absenteeism efficiently, and create basic, complex, and differentiated absence plans that can be applied locally and globally. As a result, organizations can adopt the following leave management best practices.

- **Provide a flexible administrative framework.** A good leave management system allows you to be the boss when it comes to defining the rules and policies that govern absenteeism within your organization. Quickly configure period term, eligibility, accrual, and entitlement definitions, and payment specifications to create absence plans. And configure absence validations, carryover rules, administrative tasks, and display appearances to create absence types. Then sit back and watch your users perform their absence tasks with ease through smart transactions and a flexible interface.

- **Think globally; manage locally.** Today’s global workforces present unique challenges for HR organizations, which must comply with the rules and regulations governing leave and absence policies in different parts of the world, or face the risk of significant fines. To add to the challenges, HR must implement local and global policies in a manner that’s consistent with the overall business strategy. A good leave management system allows you to personalize and configure user interface based on legislation, roles, and absence types. As a result, you get an intelligent solution that delivers guided and intuitive transactions for all employees—regardless of location.

- **Provide tight integration with payroll and time management systems.** By drawing on data from payroll, time and labor, and core HCM systems, a good leave management system connects the dots between changes in leave and calculations in pay. Employees can schedule absences through a self-service or time-entry dialog box within a calendar-based process, or enter them directly within a timecard. Either way, the result is the same: complete visibility into time and leave management.

Project Management

HR and business users are often shielded or don’t have access to project financial data, leaving them out to dry when they need to justify business decisions – such as how to staff a particular project, or how to optimize the workforce to deliver on a short-term project. HR managers need access to highly visual, real-time dashboards that allow line managers, executives and project stakeholders to monitor talent profiles, absence information, and deliver on project work.

BENEFITS OF AN INTEGRATED WORKFORCE MANAGEMENT SYSTEM

- » Lower labor costs
- » Fewer payroll errors
- » Fewer compliance violations
- » Elevated productivity
- » Increased employee engagement and satisfaction
- » Real-time access to a single source of truth for projects, payroll, and expenses
- » Improved sales
- » Improved customer service

Expense Management

Today, employees expect to be able to submit expenses quickly – by taking a picture on their mobile device. The expenses should pre-populate reports and be submitted immediately for approval for improved data accuracy, reduction in fraud, and faster reimbursement. Yet, many organizations today still have manual processes that are time consuming and costly for employers. An integrated, modern Workforce Management solution today includes expense management to help HR shift from being reactive, to being pro-active by automating the review of expense reports, reinforcing company expense policies, and delivering industry best practices in compliance.

Looking Beyond Hours Earned and Leave Taken: Using Workforce Management to Drive Business

Changing markets, a heightened regulatory environment, and an increasingly diverse and dispersed workforce have made the job of workforce management both more essential and more complex in recent years. Yet without the tools to keep the workforce productive—the ability to gain strategic insight into its strength, determine where change is needed, and align HR activities to business goals—organizations will see their bottom lines suffer.

Modern workforce management encompasses time and labor, absence management, and is fully integrated with payroll and other core HR functions and financials, to bring accuracy, simplicity, and insight to a once-onerous task. The result is an engaged and connected workforce eager to contribute to organizational success.

“After carefully evaluating the various HR solutions currently available, it was in the end a clear decision for us to choose Oracle HCM Cloud. With Oracle HCM Cloud, CWT will have one single source of truth for employee data, which will simplify our global HCM processes significantly.”

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