Maximize Your Workforce: Use the Most Effective Strategy for Managing Time, Labor, and Leave
“Productivity is the name of the game when it comes to workforce management today. As organizations seek to be more agile and flexible in response to changing marketplace conditions, absences, both planned and unplanned, can eat away at organizational productivity.”

Aberdeen Group, “Total Workforce Management 2013: Absence Management”
Employees are organizations’ most valuable assets. They are also their most costly. Consider, for example, the US military: the Pentagon devoted 30 percent of its budget to personnel costs during a time when such costs were at a historical high (during Operation Desert Storm). Compare that with the many organizations today that are devoting more than 50 percent of operating budgets to personnel costs, and you can begin to see just how expensive employees have become. All this money is well invested—as long as workforces are productive. Unfortunately, this is just where many companies are struggling. Without an effective workforce management strategy, the productivity, flexibility, and agility they seek remain frustratingly out of reach.

“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.”


**FACT:** Three-quarters of organizations with workforce management solution implementations report significant payback—on average 6 percent to 10 percent—in less than a year.


Increase Accuracy, Insight, and Compliance with Integrated Workforce Management

So what exactly does effective workforce management entail? In the broadest terms, workforce management encompasses all the activities needed to maintain a productive and cost-effective workforce. This means tracking time and attendance, managing absences and leave, coordinating projects and tasks, and implementing schedules to ensure that the right labor mix is available at the right time to meet evolving business needs.

Sound simple? Once upon a time—in a small-business, small-town America—it might have been. But in today’s highly regulated global economy, it’s anything but. For starters, a diverse and distributed workforce means that compliance issues now extend far beyond local, state, and national borders. And failing to comply with constantly changing regulations can result in not just steep fines and serious legal ramifications but also deep dips in employee morale. Not surprisingly, the administrative burden associated with demonstrating compliance and communicating policies has become enormous.

These tasks—as well as just about everything else associated with time, labor, and leave management—are further complicated by a lack of integrated tools for handling them. While automation has been part of workforce management since the advent of punch-clocks, the field has evolved rapidly in recent years. So, too, has the technology supporting it. As a result, HR departments have been left with a hodgepodge of disparate tools and legacy information systems—none connected and few with the analytics and integration required by modern enterprises.

Indeed according to a recent survey, despite the proliferation of tools, a majority of HR organizations still rely on in-house systems and manual processes. Which could be why more than half of respondents reported that their biggest issue with workforce management systems is the amount of manual labor they still require, and why 40 percent cited poor integration with other systems as a major concern.1

There is a better way. Drawing on human capital management (HCM) technology, the best integrated workforce management systems bring accuracy and simplicity to time, labor, and leave management by automating a variety of technical, administrative, and analytics tasks.

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.


By linking time, labor, and leave management with payroll, and incorporating information from across the HR function and 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. And 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 time, labor, and leave management processes, you not only free HR and management personnel for more-strategic tasks, you also improve data accuracy (meaning fewer payroll errors) and reduce labor costs (through improved time-tracking). Offering self-service capabilities for both employees and managers, automated workforce management translates to increased productivity across the board.

- **Communicate flexibly.** 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 your HR department dreams of if your employees and managers aren’t able to enter and view this information on the devices of their choosing. It’s not enough to provide web self-service for office and home computers; you must also make it available on the smart phones and tablets that have become so ubiquitous. Interestingly enough, few organizations have caught on to this fact—barely 10 percent allow managers to view, modify, or approve time sheets via mobile devices.2 Clearly, an opportunity exists for those that do.

- **Integrate to add insight.** The information you glean from your workforce management system doesn’t have to stop with hours worked and vacation earned. By integrating workforce management with payroll, scheduling, and other core HR functions, you can yield a treasure trove of data about project and employee performance.

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2 Aberdeen Group, “Total Workforce Management 2013: The State of Time and Attendance.”

FACT: Organizations using automated time and attendance saw 57 percent fewer errors in paid-time-off accrual calculations.

Aberdeen Group, “Total Workforce Management 2013: The State of Time and Attendance”
“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”
FACT: 72 percent of employees in organizations with automated time and attendance solutions rated themselves as highly engaged, compared with 64 percent of employees in organizations without them. 
Aberdeen Group, “Total Workforce Management 2013: The State of Time and Attendance”

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—and rightly so. According to the Aberdeen study cited earlier, 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.3

As impressive as these improvements are, however, in a time of talent scarcity the heightened employee engagement conferred by such solutions may be equally important. Improved scheduling, reduced manual processes, clear visibility into hours worked, and a full understanding of the policies governing time and attendance all lead to more-satisfied workers. The result: increased employee retention over the long term.

An integrated workforce management system facilitates all these benefits by providing a rules-based time recording and management solution that links to leave management, payroll, scheduling, and project management data to provide complete workforce visibility and control. As a result, organizations are able to apply the following time and labor best practices.

- **Make it easy for employees.** Provide self-service time entry and management. 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. Use rules engines and templates to validate 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.4

3 Aberdeen Group, “Total Workforce Management 2013: The State of Time and Attendance.”
4 Ibid.
Effectively managing absence can have a huge financial impact on an organization, but it can also be the source of difficult conversations and decisions for employees and managers. Automated absence management solutions help organizations overcome both of these challenges by providing transparency and guidance that not only improves business outcomes, but makes the process easier for employees and managers.”

Aberdeen Group, “Total Workforce Management 2013: Absence Management”
KEY FEATURES OF AN EFFECTIVE LEAVE MANAGEMENT SYSTEM

» Highly configurable and flexible rules-based engine
» Self-service for employees and managers
» Support for administrator transactions
» Easily configurable user interface
» Integrated approval framework
» Configurable administrative framework
» Structured absence plan types for managing entitlements and payment
» User-friendly and flexible accrual and entitlement definitions
» Quick and easy setup of absence plans and absence types
» Integration with global HR, time and labor, and global payroll

Leave 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—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 while implementing these policies in a manner that’s consistent and in line with business strategies. A good leave management system lets you configure the user interface based on legislation, roles, and absence types. As a result, you get a smart interface that offers 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.

**FACT:** Unplanned absences account for an average annual loss of productivity of 11 percent, and the average cost to the business is equivalent to 74 percent of replaced worker salary.

Aberdeen Group, “Total Workforce Management 2013: Absence Management”
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 that 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.

Oracle can help. Relying on advanced HCM technology to provide an integrated solution that encompasses time and labor as well as absence management, and links back to payroll and core HR functions, Oracle Workforce Management brings accuracy, simplicity, and insight to a once-onerous task. The result is an engaged and connected workforce eager to contribute to organizational success.

**BENEFITS OF AN INTEGRATED WORKFORCE MANAGEMENT SYSTEM**

» Lower labor costs
» Fewer payroll errors
» Fewer compliance violations
» Elevated productivity
» Increased employee engagement and satisfaction
» Improved sales
» Improved customer services

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“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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