

## CASE STUDY

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### Cleveland State University: From Paper to Productivity with Workforce Management

Sponsored by: Kronos Incorporated

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## OVERVIEW

More than ever, the current difficult economy highlights the need for organizations to manage their workforce like any other asset. While unemployment has surpassed double digits, labor costs remain the largest controllable expense for most organizations. For several years, organizations seeking to manage the workforce effectively have increasingly been turning to automated workforce management solutions. Such systems can enable organizations to achieve visibility into workforce management trends, practices, and policies that in turn can reduce costs related to staffing, compliance, and payroll.

To maximize the benefits of an automated workforce management solution, organizations need to consider the following:

- ☒ **Process automation.** Complete automation of the workforce management process, including scheduling, timekeeping, attendance, and leave management, enables organizations to increase visibility into and control of labor costs and mitigate compliance risk. Unlike solutions that are highly dependent on batch processing of employee time, best-of-breed workforce management solutions that provide real-time validation and processing increase accuracy by reducing potential for errors while also simplifying work for managers.
- ☒ **Integration.** Workforce management data often resides in information silos (e.g., HR management software, enterprise resource planning [ERP], or other systems) with little or no real-time integration. As a result, workforce management processes at many organizations are often delayed and prone to errors, which can result in costly validation efforts, unmanaged employee absences, inaccurate or late payroll, and a general lack of management oversight, visibility, and control. Error-prone systems can lead to increased costs, compliance issues, and an inability to respond quickly to changing business conditions. Eliminating such workforce management issues by implementing integrated workforce management software and devices can positively impact an organization's administrative operations as well as its overall performance.
- ☒ **Cost of ownership.** The degree to which a workforce management system meets or exceeds the needs of the organization without customization has a direct impact on the cost of deploying the system initially and maintaining it over time. Some modules for workforce management that only provide basic capabilities out of the box often require costly customization to fully implement.

A flexible system that keeps pace with ever-evolving needs is key to keeping costs low and ensuring that the workforce management process is accurate, efficient, and compliant. Specialized best-of-breed systems tend to have the advantage of configurability over systems offered as part of broader HR systems.

In many situations, a best-of-breed workforce management system can provide organizations with advantages — both functional and economic — when compared with an ERP solution. Kronos Incorporated offers an integrated workforce management solution with products for scheduling, absence management, time and attendance, and analytics; a broad portfolio of human resource management software; and data collection devices that include biometric capabilities.

The Kronos workforce management solution — Workforce Central — provides complete automation and offers organizations a centralized "single source of truth" for employee data. The modules are designed to eliminate redundant data entry and consequently reduce errors and administrative costs.

IDC interviewed Cleveland State University about its decision to implement workforce management software from Kronos rather than deploy an existing ERP system for its workforce management needs.

## **ORGANIZATIONAL BACKGROUND**

As an institution of higher education, Cleveland State University faces a complex array of workforce management challenges that don't typically occur in private industry. For starters, the university maintains a workforce of approximately 2,000 employees, but throughout the year, the workforce may actually peak at about 5,000 employees due to peripatetic student employees. The students — who make up much of the workforce — work at various locations, have various pay rates, and often hold multiple jobs; they have multiple and various supervisors as well. Some full-time employees are also lecturers, and faculty members may teach in different cities and therefore are subject to different tax codes — a particular challenge in Ohio with its many tax jurisdictions. The university also employs union workers whose pay, benefits, and work rules are dictated by bargaining agreements.

The level of workforce complexity Cleveland State faced caused it to consider a change in how it was handling workforce management.

## **BUSINESS DRIVERS**

In 2006, it became apparent to the university's administration that the paper-based process used in conjunction with the existing ERP system was no longer sufficient for tracking time and labor. At that time, the decision was made to implement the Workforce Central suite from Kronos.

"[The executives] wanted to get a better handle on the amount of overtime that we were paying out and where those hours were going," recalled Miro Humer, a senior business analyst in the university's Information Services and Technology department. "We had several internal audits that pointed to problem areas." The vice president for

Business Affairs and Finance championed the university's effort to transform the paper-based process into an efficient electronic system. The goal of deploying more sophisticated workforce management from Kronos, said Humer, was to provide more visibility into labor tracking so that university officials would have better control in terms of overtime and scheduling.

The previous paper-based system "was very inefficient," Humer recalled. Employees recorded their own hours on paper; supervisors then signed the paper and handed it over to a departmental payroll clerk who collected all such documents from supervisors and reentered the data on a separate timesheet. That form was then sent via interoffice mail to the payroll department where employees spent three days entering the data into the ERP system. "Every department on campus had one person who was collecting all of the timesheets," Humer said.

The manual system was marked by inconsistent policy enforcement and an inability to readily determine where overtime was occurring. While the university's existing ERP system had timekeeping and labor tracking modules, Humer said that Cleveland State's unique needs would have required time-consuming and expensive modifications. "We have students with 12 jobs," Humer said. "They all have to be able to record time for each job individually." In addition, Humer said that only the supervisor for an individual's particular job should be able to approve pertinent hours, a requirement that made retrofitting the existing ERP system that much more challenging.

The ability of Kronos to record multiple jobs with the Multiple Jobs Allocation module was one of the primary reasons Cleveland State selected Workforce Central.

## **THE OUTCOME**

The Kronos Workforce Central suite is currently used by all employees except for graduate assistants and contract lecturers. (The university uses Kronos for time collection and scheduling, and managers use all the Kronos tools needed to approve timecards.) In addition, Humer said the solution integrates with the existing ERP system, allowing the data entry of timecard information to be reduced from three days to five minutes. Further, supervisors have visibility into time recording and labor tracking. "We can now see where dollars are being spent for labor, where there is overtime, who is approving it, how it is happening, and who is using sick and vacation time," Humer said.

Managers can look at information for their direct reports as well as for employees who report to their direct reports. "Managers have much more information at their disposal," he added. This access to information allows managers to notice problems — for example, if an hourly employee punches in twice — and take corrective action before those problems snowball into larger issues such as the need for corrected payroll checks. With reporting capabilities, managers can also identify trends, such as whether there are employees who consistently punch in late or work overtime that is not approved.

The information made available through Kronos enables the university as a whole to enforce many of the workforce rules that previously were not applied consistently. In addition, some individual employees have seen a change as a result of Kronos.

Those employees who used to be responsible for collecting timecards are now able to spend their time doing higher-level tasks. One employee who works in the athletic department, for example, was promoted to supervisor; rather than just shuffle paper, she now is responsible for hiring other student employees and for approving student employee timecards, among other duties.

## **CHALLENGES/CONSIDERATIONS**

Even though there are many benefits associated with real-time workforce management, there is an appeal to having a single vendor to hold responsible and a single data source for all facets of HR and workforce management that a single ERP solution may afford. Consequently, Kronos will need to continue to demonstrate that the benefits of a specialized workforce management environment outweigh the benefits of a single-provider solution.

At many organizations, IT may favor having fewer vendors and interfaces, so the benefits of real-time access, integrated data collection devices, and ease of use need to be compelling and reach the IT buyer, not just the HR buyer. Kronos will need to convey the right benefits to various constituencies and fashion appropriate strategies and messaging accordingly.

Many organizations continue to operate HR in various silos and maintain separate systems and processes for each of those silos. It is often difficult to challenge the status quo, especially in difficult economic times. Kronos needs to address and attack the status quo with both use case benefits and evidence of cost savings if buyers are to be able to justify the investment in new or improved workforce management solutions and processes. The buyers face these same challenges of changing the status quo as they convince their management of the benefits of best-of-breed solutions.

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