At the College of William and Mary, the processes for collecting and reporting time worked and leave taken are broken. These processes are hampered by delays, duplication of effort, red tape, errors, and excessive costs. They are so broken that they cannot be fixed with incremental changes. They must be completely overhauled -- from the ground up.

In this report, we present a redesigned time and leave process for the College. The new design incorporates cutting edge information technologies and is as responsive as possible to the needs of the College, its faculty, staff, students, and the community at large.

The redesign described in this report constitutes bold change. We believe that boldness is appropriate. As mentioned, minor adjustments will not provide College employees with the time and leave process they expect and deserve. State funds for higher education in Virginia are likely to remain limited for the foreseeable future; we must continue to do more with less. Most important, as technological, economic, and other changes occur, all organizations -- including colleges and universities -- should periodically review their internal operations with an eye toward making dramatic improvements. According to the College's strategic plan, "For William and Mary to achieve its full potential, the College must recruit, retain, and develop a superior staff and administration that is responsive, effective, and efficient in its delivery of support services." The redesign we have developed is a step toward fulfilling that end.

This report proceeds in six parts. First, background information about the reengineering effort is presented. Then, the current time and leave processes are described, and their shortcomings are summarized. The section following is an overview of the new design. Next, we discuss certain concerns pertaining to the implementation of the new design, and then additional issues and recommendations that are relevant to our subject. Concluding comments are provided in the last section.

Part One - BACKGROUND
Our focus is on redesigning the time and attendance processes at the College. By time process, we are referring to the policies and systems that employees use to report the time they work, managers use to track and authorize that time, and the College uses to produce paychecks. By attendance process (or leave process), we are referring to the policies and systems that are used to authorize and monitor employees absences from work, both paid and unpaid.

How an organization manages time and attendance may appear to be a secondary consideration. It is not. The single most critical resource of any organization, especially a college or university, is the time, effort and commitment of its employees. The procedures an institution employs to manage time and attendance significantly influence employee morale, productivity, and loyalty. Make no mistake -- the quality of our time and attendance processes affects our broader institutional goals.

Throughout our work, we have been guided by a framework for radically rethinking business practices that is known as "reengineering." This framework has been used by progressive organizations across the country to revitalize aspects of their business processes. General information about reengineering is included in the bibliography at the end of this report.

Reengineering efforts typically use a team approach. This report derives from the work of the Time and Attendance Business Process Reengineering Team, which consists of eight members representing Personnel Services, General Accounting/Payroll, the Computer Center, Facilities Management, and Postal Services. Included are:

<table>
<thead>
<tr>
<th>Name</th>
<th>Department</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Susan Evans</td>
<td>Personnel Services</td>
<td>TEAM LEADER</td>
</tr>
<tr>
<td>Lisa Dessoffy</td>
<td>Facilities Management</td>
<td></td>
</tr>
<tr>
<td>Julie Jacob</td>
<td>Computer Center</td>
<td></td>
</tr>
<tr>
<td>Leigh Miller</td>
<td>Personnel Services</td>
<td></td>
</tr>
<tr>
<td>Kay Shaw</td>
<td>Personnel Services</td>
<td></td>
</tr>
<tr>
<td>Ernestine Smith</td>
<td>Postal Services</td>
<td></td>
</tr>
<tr>
<td>Lori Williams</td>
<td>General Accounting/Payroll</td>
<td></td>
</tr>
<tr>
<td>Alan Edwards</td>
<td>Graduate Student</td>
<td>SCRIBE</td>
</tr>
</tbody>
</table>

The work of our team is part of a broader initiative to improve administrative operations at the College of William and Mary. This broader reengineering effort is sponsored by a six-member Executive Steering Committee that has as its goal "to effectively react to client needs, develop a client-oriented culture, and implement a service infrastructure which responds to client requirements." The Executive Steering Committee has indicated
that, "to meet this vision of 'exceeding the expectations of our clients,' means shifting the focus of administration from efficient performance of tasks to a program that responds to the needs of the College, its faculty, students, staff, and the community at large."

To translate their vision into reality in the areas of employee time and attendance practices, the Executive Steering Committee instructed us to create a new process that is consistent with the following more concrete guidelines.

- To provide an effective and efficient process for the accurate collection and timely reporting of time worked and leave (sick, vacation, etc.) taken.
- To enable employees and approved staff to obtain up-to-date time and attendance information in a secure manner, that is convenient for them, and in a form that is easily understood.
- To enable time and attendance data to be collected once, at its original source, for use by multiple College offices and computer systems.
- To support federal and state time and attendance collection and reporting requirements.
- To maintain integrity, audit and security of information.
- To ensure that users are not required to obtain specialized equipment or connectivity as the only solution.

The Executive Steering Committee's broader goals and guidelines for our team provided the foundation for our redesign efforts. For us, the employees of the College are the primary clients whose needs we seek to promote.

In our work, we also returned repeatedly to a set of premises about the needs of employees and supervisors. These premises are critical for understanding our new design. First, employees must be unburdened from bureaucracy and inefficiency. The new process, and the technology upon which it depends, should be simple, convenient, secure and fast. Second, employees want and need to be informed; they deserve easy access to time and leave information. Third, while it is recognized that some employees have not had the opportunity to use computers, cutting edge information technology can dramatically increase the quantity and quality of the services we provide to them. Further, as expressed in the College's strategic plan, William and Mary is committed to increasing the productivity and developing the abilities of its employees. We have a responsibility to familiarize them with the latest information technology.

Finally, supervisors and managers also are important clients of our time and leave process. We want them to have point and click access to time and attendance data for their employees. Time and leave procedures do not manage people, supervisors do. But easy, convenient, and efficient procedures can free up the time of supervisors for more
critical activities. Leading and motivating employees should be their focus, not bubbling-in paper time sheets.

Consistent with the reengineering framework, the work of our team proceeded in four basic steps -- mapping the current process, redesign, walk through and verification, and final reporting.

**Mapping the Current Process.** Using flow charts, we delineated all steps in the existing time and leave processes at the College of William and Mary. We thoroughly studied these processes, including which forms and approvals are required, which departments are involved, and the time passing before employees see the end results. We also evaluated the effectiveness of the current processes in terms of employee satisfaction, productivity, and cost.

**Redesign.** During the redesign phase, we discarded the current processes and built a time and leave system from the ground up. We looked for new practices and technologies that would "exceed the expectations" of our employee clients. External research was a critical element. Our purpose was to identify solutions that would be progressive and innovative, and would eliminate bureaucracy, simplify matters, be as error proof as possible, and eliminate unnecessary delays. The nature of our external research is outlined in Appendix A.

**Walk Through and Verification.** During this stage, we conducted interviews with College faculty, staff, and students to verify the accuracy of our portrayal of the current processes and the feasibility of the new design. Also important here was the opportunity to receive feedback -- ideas, improvements, and complaints -- from our employee and supervisor clients. The names of employees we spoke with and the departments they represent are provided in Appendix B. At this point, we also presented a progress report to the Executive Steering Committee and received their endorsement to make the changes in existing policies and procedures that are necessary to turn our redesign into reality.

**Final Reporting.** The final stage is this report. Here, we describe the new process for time and leave at the College. We demonstrate our team's success in meeting the vision, end results, and constraints outlined for us by the Executive Steering Committee. We also provide guidance for the team that will be charged with the implementation of this project.

Before proceeding, we would like to thank the many people who assisted us. We thank the Executive Steering Committee (Gillian Cell, Sam Jones, Monica Augustin, Karen Dolan, George Rublein, and Michael Stump) for their sponsorship, and their trust. For twelve weeks, 80% of our work time was devoted to the reengineering effort. We acknowledge the colleagues in our home offices who carried the load during our absence. Also, we appreciate the work of Tim Darling in Personnel Services, who generated data and reports, and of Nancy Nash and Becky Raines in Management and Budget, who provided critical support to this project. We recognize the School of Business Administration for graciously reserving a meeting location for us. We received
inspiration, support, and invaluable training about the reengineering approach from John Marrazzo and his colleagues Margaret Acquaviva Bell and Kevin Ciotta from JM Associates. Most important, we appreciate the employees of the College who spent time with us discussing the current time and leave procedures and suggesting improvements.

Part Two - CURRENT PROCESSES

At William and Mary, leave and time are currently treated as different processes, and responsibility for each is handled by different offices. As will become apparent, we see the distinction as artificial and unnecessary. But in describing current practices, we address them separately, beginning with leave.

Leave

Leave data are actually gathered and entered a minimum of four separate times -- once by employees, twice in Personnel, and again when the human resource system is updated.

The current leave process begins when employees request (or report) leave and ends when they receive updated leave balances. Two categories of employees have paid leave: (a) classified employees; and (b) administrative and professional faculty. Flow charts of the current leave process for each employee category are included in Appendix C.

The flow charts delineate the current process. Even a cursory glance at them reveals the complexity, redundancy, and inefficiency of existing procedures. They are built around the interests of the College's organizational structure, not the interests of employees and supervisors. The resulting problems arise from the way leave is requested and tracked and from the complicated nature of the leave programs.

Requesting and Tracking

When we examined the current procedures for requesting and tracking leave, we found poor customer service, delays, duplication of effort, errors, and excessive cost.

Poor Customer Service. There currently is no easy, convenient way for employees to find out how much leave they have available. Indeed, the easiest way to get a leave balance is to wait for a quarterly report, which can take up to three months. Employees do not have access to information about leave policies and programs. Completing leave forms is also inconvenient; employees are asked to provide data that Personnel already
has (e.g., their social security numbers and their department names). And supervisors and managers do not have access to necessary information about employees' leave (e.g., sick leave trends, timely notification about employees who will "lose" leave, reports showing administrative and professional employees with negative leave balances).

**Delays.** Significant processing delays occur because leave forms are currently sent through campus mail. Then, due to a lengthy data entry process in Personnel Services, and because the leave system is not part of the mainframe human resource system, there is a substantial time gap between when leave is taken and when leave balances are reduced. Also, leave forms often are sent to Personnel long after the leave is taken.

**Duplication of Effort.** Departments frequently spend valuable staff time and resources maintaining shadow systems to track their employees' leave accruals, histories, and balances. Leave forms are "checked" at least twice -- once by supervisors and a second time in Personnel. Often, a third check is performed by other administrative employees in the home departments. Leave data are actually gathered and entered a minimum of four separate times -- once by employees, twice in Personnel, and again when the human resource system is updated.

**Errors.** Under the existing process, it is not unusual for employees to take leave they do not have. Leave forms are often incomplete, and are returned to supervisors and employees for corrections.

**Cost.** The current process is very costly in terms of time and effort. Every employee who touches the original leave form keeps a copy. Staff in Personnel spend a significant amount of time explaining routine leave policies and responding to the same questions about leave forms, leave accruals, and leave balances. Leave is not always reported. At termination, employees are paid for unused leave; as a result, leave that they have taken but do not report is essentially paid for twice. Supervisors and managers spend valuable time verifying that employees have submitted leave slips and resolving the problems that result when employees take leave they do not have.

**Cumbersome Programs**

Current leave programs are cumbersome for both employees and managers. At the College, we have two distinct leave programs; a state program for classified employees and a different program for administrative and professional faculty. These leave programs add still more layers of complexity to the already bureaucratic leave process. Consider the following problems.

First, administrative and professional faculty are unclear about when to report sick leave. Some report it after ten cumulative days have been used; others report it only after ten consecutive days; and some do not report it at all.
Second, administrative and professional faculty only report leave after the fact. For them, there is no formal approval process. During our walk through interviews, administrators said that annual leave should be pre-approved, and that negative leave balances should only result from conscious choices by management. To do otherwise leaves the College with some vulnerability.

Third, tracking leave accruals is not easy for employees, in part because (due to lag pay) leave is now accrued on the last day of each pay period, rather than on pay dates. New classified employees may have legitimate illnesses or reasons to be off before sufficient leave accrues. If classified employees take leave without pay, they lose the leave accruals for that pay period, even if the absence was pre-authorized. In the worst case, an employee's leave accruals stop altogether after 60 consecutive days on paid leave.

Fourth, for classified employees, there are nine different categories of leave that must be reported and tracked. There appears to be no reason for this. From the viewpoint of managers, the key concern is not the particular type of leave an employee takes, but whether it is scheduled or unscheduled.

Finally, the most striking example of red tape encountered by this team is the existing Leave Share Program. It enables classified employees to donate annual leave to other employees who have medical conditions and have exhausted their own leave balances. Fully describing the problems with this program are beyond the scope of this report, but they include:

- The time it takes for an employee in need to receive as few as eight hours of donated leave from a fellow employee can be as much as 8.5 days. Every time an employee qualifies for the Leave Share Program, staff in Personnel spend eight hours distributing donation request letters to all classified employees.
- Many aspects of administering this program are not automated.
- In order to be eligible for leave share, the employee with the legitimate medical condition must be on leave without pay for ten days.
- Employees cannot donate annual leave unless there is an active leave share request. At year end, employees who will lose annual leave (because their balances are above the maximum) offer to donate leave and cannot.
- Even employees without the minimum amount of annual leave necessary to make a donation receive a donation request letter.
- The Leave Share Program only benefits a handful of employees. On average, only twelve use it each year.
The time process is characterized by excessive paper, data entry, and walking or driving to the Payroll Office.

The current time process begins on the first day of each pay period and ends when employees receive paychecks. If anything, the existing system for reporting time worked at the College of William and Mary is even more complex than the leave process. And it is just as broken. The current time process is hampered by poor customer service, delays, duplication of effort, errors, and unnecessary cost. Separate time procedures exist for classified, non-exempt classified with overtime or compensatory time, exempt classified with compensatory time, and hourly and student employees. Each one entails excessive paper, data entry, and walking or driving to the Payroll Office. As with the leave process, flow charts of the current time process are included -- in Appendix D.

Poor Customer Service. Employees are confused about who to call for help in this area. Is it Personnel, is it Payroll, or is it Student Financial Aid? Confusion also occurs because separate processes are used to report time and leave. There are no written policies and procedures that supervisors and employees can turn to for information.

The payroll time sheet itself is not user friendly or convenient. Completing it actually requires two different writing instruments -- a #2 pencil to bubble-in hours and a pen for signatures. Hourly and student employees with set schedules must provide the same hours to Payroll 24 different times each year, bubbling them in each time. Employees, supervisors, or designated department employees must drive or walk to Payroll to deliver time sheets and when they arrive, they are asked to alphabetically sort their time sheets.

For most employees, the hours they repeatedly report on FLSA time sheets (used to satisfy requirements of the Fair Labor Standards Act) are the same, week after week after week. Many employees are aware that FLSA time sheets are not used by Payroll and that Personnel does not monitor who does or does not submit them. Consequently, some of them simply do not complete these forms.

Delays. There are lots of "overnight system updates" in the current time process. As a result, payroll processing is delayed because data from scanned time sheets and manual corrections must be batched and updated in the mainframe human resource system overnight.

Duplication of Effort. "Hours worked" data is captured multiple times. Often, employees record their hours on manual logs; then hours are transferred to time sheets; and finally they are scanned or entered by Payroll. Again and again, time sheets are "checked and copied." Employees copy time sheets before the forms are forwarded to supervisors, and supervisors often maintain shadow logs of employees' hours. They check the math and make their own copies. Departments often designate other staff to review, recheck, and copy the forms; and sometimes time sheets are even reviewed and rechecked by another department (if it provides funding for the employee's position).
**Errors.** Scannable time sheets and the scanners that read them are temperamental. Incomplete bubbles and erasures are often read inaccurately, and the scanner usually jams. Employees and supervisors understandably have difficulty with reporting overtime; errors result when they try to determine whether hours are straight-time vs. overtime leave vs. compensatory leave. Employees and supervisors occasionally forget to sign time sheets, or mistakenly, they sign them in pencil (requiring yet another visit to the Payroll Office).

**Cost.** Along with the inefficiencies we have described, a major cost of the current process is staff time in Payroll and Personnel. Payroll staff spend hours batching and sorting time sheets prior to scanning, manually enter time (when, as often occurs, time sheets cannot be accurately scanned), and spend eight hours each pay period alphabetizing time sheets. In Personnel, eight hours are also spent each pay period checking and sorting FLSA time sheets.

* * * * * * * * * * *

The bottom line? Both the time and leave processes at the College of William and Mary are fundamentally flawed. They must be thoroughly reworked. As a result, we have designed a completely new system for the College.

*Introducing . . .*

**PeopleWORCS**

**Part Three - THE NEW DESIGN**

*The ingredients for PeopleWORCS are already available.*

In this section, we describe the revamped time and attendance process we have devised for the College of William and Mary. Existing practices aside, we see no reason to continue treating time and attendance separately. In the practical, day-to-day operations of the workplace, the two functions are highly related. Consequently, our new design encompasses both time and attendance. It includes a new leave program (paid time off), simplified leave policies, a new method for requesting and tracking leave, point and click management tools, simplified time policies, a new method for recording time worked, and electronic pay stubs. Flow charts of the new design are provided in Appendix E.
Notice that, while the existing processes require 14 pages of flow charts, we can chart the new design with only three pages.

We call the technology that makes our new design possible PeopleWORCS. It will be a new component of the WORCS (Web Opens the Repository of College Systems), which is a key feature of the College's existing web site.

We emphasize that the ingredients for PeopleWORCS are already available. William and Mary students now receive their grades, review their course schedules, and view general information about their academic progress on-line. We have already developed a prototype for PeopleWORCS that includes many of the features we describe here.

Under our redesign, employees and managers will be able to conduct time and leave transactions electronically. Written forms, memos, and telephone conversations will be replaced by modern information technology. The data necessary to make our vision a reality are already compiled in the College's mainframe human resource system. But PeopleWORCS will enable employees, supervisors and managers, for the first time, to actually use the information efficiently -- to access and report work time and leave information on-line. Anywhere the Internet is available, PeopleWORCS will be available. Employees will be able to use computers in their offices, in campus labs and libraries, even in public libraries and at home. Kiosks provided around campus will further enhance the accessibility of PeopleWORCS. Most important, PeopleWORCS will be secure. Since PeopleWORCS will be on the Internet, the technology exists to encode data during transmission to ensure privacy. Employees will use e-mail identifications and PINs to access their PeopleWORCS records. Social security numbers will not appear on any of the pages of the web application. At campus kiosks, a time-out feature will provide security for employees who forget to click "exit" before walking away. Employees will share the responsibility for protecting their personal information; this will be an important element during training. And, of course, different levels of access can be established. Supervisors and managers using PeopleWORCS will be able to access the records of only those employees they directly or indirectly supervise.

In short, PeopleWORCS is more than an aspect of our design: it will be the backbone that makes possible the College's new time and leave process.

Paid Time Off (PTO)

Employees appreciate the self-management aspect and greater flexibility of a paid time off program.

We are proposing a fundamentally different type of leave program for the College: a paid time off (PTO) program. The PTO concept for leave is straightforward. Employees
receive a bank of paid time off days to use for absences. Distinctions between conventional leave categories (sick, vacation, and personal) disappear. In a PTO program, the only distinction is whether the leave is scheduled or unscheduled. When employees need time off, they draw from their PTO banks. As a result, they "manage" their own leave banks because they no longer have a prescribed number of sick leave days, vacation, etc.

At first glance, it may appear that a PTO program will cost more than a traditional leave program. It is true that employees who rarely use sick leave will, under a PTO program, have access to more paid leave (the sick days can now be used for other purposes). But consider the following points. First, the time they do take is far more likely to be scheduled in advance. According to the 1996 Unscheduled Absence Survey conducted by Commerce Clearinghouse, Inc., unscheduled absenteeism costs on average $603 per employee annually. If the costs associated with unscheduled absences are considered, the costs of a PTO program decrease. Also, when converting a traditional leave program to a PTO program, the total number of days of leave is usually reduced somewhat. When shifting to a PTO program, employees generally receive all of their old vacation days but not all of the sick days previously allotted. We also believe that the financial liability currently associated with having large, uncapped sick leave balances will be significantly reduced.

There are other advantages to a PTO program. These programs help curb the abuse of sick leave. Since employees manage their own banks and no longer have designated sick days, they save their PTO days for when they truly need them. PTO programs reward good attendance because employees know they will be able to take more days if they schedule them (i.e., gain supervisory approval) in advance.

Employees also benefit. A PTO program is simple because it does not require employees to understand, track, and report numerous categories of leave (sick leave for personal illness, family members' illnesses, bereavement, etc.). Employees also tend to appreciate the self-management aspect. In fact, the consensus of human resource professionals is that the greater the employees' autonomy, the less likely they are to abuse sick leave. Employees also enjoy greater flexibility under a PTO program. They are no longer asked to specify why they need a day off, and time they take for family obligations is not overly monitored by the College.

As mentioned, when PTO programs are introduced, supervisors and managers are often concerned that employees will take "too much" time off. What do actual experiences with PTO programs reveal? After such programs are implemented, supervisors usually discover that their employees take fewer total days off and have fewer unscheduled absences. In addition, what is important for supervisors in a PTO program, and in any leave program, is not the particular type of leave taken, but that whenever possible, leave is scheduled and approved in advance. With a PTO program, managers appreciate being able to plan ahead for the absences and also benefit from the improved morale of the employees they supervise.
Notice that the PTO program in our redesign will encompass classified employees and administrative and professional faculty. For classified employees, current annual and sick leave will be combined into a single bank of days. Administrative and professional faculty will have a bank of days representing their annual leave and a to-be-determined number of sick days. To cover a situation where an employee is ill for an extended period, under our redesign classified employees and administrative and professional faculty will be eligible for a new short term disability program. This program will provide salary insurance for lengthy medical absences. Of course, the number of paid time off days and the actual short term disability benefit may vary, depending on category of employment, length of service and other factors.

While the details of the PTO program will be determined during the implementation of our design, our team has some specific expectations. We believe that our expectations are consistent with the College's intent to be more client-focused and are perhaps necessary for the successful implementation of the program.

First, because the PTO bank will probably contain fewer than the current number of combined annual and sick leave days, it must be accompanied by the short term disability program. However, because total leave days will fall, and because uncapped future sick leave balances will be avoided, we also expect that the savings associated with a PTO program will more than cover the costs of the short term disability benefit.

Second, we recommend ending the ineffective State Leave Share Program, which also should reduce costs somewhat. The short term disability benefit is better for classified employees, and eliminates the need for leave sharing.

Third, the new PTO policy should be client-oriented. We endorse a policy that increases the total number of PTO days for classified employees as years of service increase. This will help us reward and retain high quality employees. Further, we strongly recommend payment for some portion of unused leave at the end of service. In addition to creating incentives for employees to use their leave wisely, such a policy will help attract the best people to the College.

Fourth, some provision must be made for the existing annual and sick leave balances of classified employees and the existing annual leave balances of administrative and professional faculty. Many organizations have encountered similar practical issues when converting to a PTO program. A careful examination of what has worked (and has not worked) elsewhere can help ensure that our transition to the new leave program is fair.

**Simplified Leave Policies**

Under existing policy, leave for all employee categories is accrued incrementally each pay period. We are fundamentally changing this practice. Under our redesign, at a particular point each year employees will receive all of their paid time off days for the
upcoming twelve month period. (Because paid leave is a benefit, and a budgetary consideration, we may want to allocate the PTO banks on the first day of each fiscal year.) Of course, only employees with a full year of service will receive the full bank of days. The leave banks will be pro-rated for employees with less than one year of service. In its purest sense, receiving leave in a lump sum means advancing leave. Thus, if employees leave the College and have taken more leave than they are eligible for, the cash equivalent must be deducted from their final net pay.

Why this change? For one, a plan that provides leave in a lump sum will be more easily understood by employees and supervisors. It is also easier to track leave when it is given to employees annually, rather than once each pay period. And when leave is granted annually, it is more convenient for employees to plan and schedule their leave in advance, without having to wait until sufficient leave accrues. In practice, PTO programs are almost always accompanied by lump sum leave.

Our walk through interviews indicated that if employees are late or must leave work early, they usually shorten their lunches or stay late to make up the time at the end of the day. As a result, under the new policy, absences of less than 30 minutes will not be formally reported as leave. If such absences occur, employees will continue to work the time off informally, making the new leave process less cluttered and supervisors less burdened by minor transactions that can be handled informally. Employees also will benefit from the increased flexibility.

Using PeopleWORCS for Leave Tracking and Reporting

*With PeopleWORCS, employees will have up-to-date and secure access to their leave balances and histories.*

How will employees actually request leave with PeopleWORCS? The answer varies somewhat, depending on the type of employee and whether the absence is scheduled or unscheduled.

**Scheduled Leave for Classified Employees.** When classified employees want to request leave, they will access their leave records in PeopleWORCS using e-mail identifications and PINs. To request leave, employees will enter the begin dates and the end dates and the amount of leave desired. Their current leave balances will be visible when they are requesting leave. If their leave balances are sufficient, one click will complete the on-line leave request.

If classified employees request leave and their balances are not sufficient, they will receive a message that they do not have enough leave to cover their request. They will be given the option to cancel the leave request. If they choose to proceed anyway, they will
be notified that the leave they are requesting will be without pay. In addition, they will receive information about the impact of the unpaid hours on their net pay. One click will complete the on-line request for leave without pay.

**Scheduled Leave for Administrative and Professional Faculty.** When administrative and professional faculty want to request leave, they too will access their leave records in PeopleWORCS using e-mail identifications and PINs. To request leave, they will enter the begin dates and the end dates and the amount of leave desired. Their current balances will be visible when they are requesting leave. One click will complete the on-line leave request. PeopleWORCS also will provide messages to administrative and professional faculty when the leave they are requesting will result in negative leave balances, if approved.

**Unscheduled Leave for All Employees.** When employees are unable to report to work due to illness or family emergency, they obviously cannot schedule the leave in advance. They will notify their supervisors using whatever mutually agreed upon practice is already in place. When they return to work, they will "report" this unscheduled paid time off in PeopleWORCS in much the same way that scheduled leave is requested. When employees complete on-line reports of unscheduled paid time off, electronic notifications will be routed to their supervisors and the human resource system will be updated, reducing their leave balances. (Of course, supervisors will be able to report leave for their employees if necessary.)

**Supervisory Authorization of Scheduled Paid Time Off.** An employee's leave request will be electronically routed to the appropriate supervisor for approval. PeopleWORCS will contain a number of management tools to assist supervisors when they are reviewing such requests. For one, supervisors will have point and click access to their employees' leave balances and leave histories. On-line leave calendars for their departments will show them leave that has already been approved for the other employees they supervise.

When supervisors approve leave requests, they will use their PINs to electronically authorize scheduled paid time off. Then, three things will occur simultaneously. First, employees will receive electronic responses that the requested leave has been approved. Second, department on-line leave calendars will be updated to include the time off. And third, the human resource system will be updated, subtracting the time from the employees' leave balances.

When supervisors cannot approve leave requests, they will indicate this on PeopleWORCS. Employees will then receive electronic messages that their leave request was denied.

Finally, if administrative and professional faculty request leave that, if approved, will result in a negative balance, their supervisors will receive messages alerting them to that fact.
Other Management Tools. PeopleWORCS, along with a point and click query tool, will also provide supervisors with immediate access to other relevant information about their employees. They will be able to select and customize "reports" using the leave records of the employees they manage. For instance, supervisors will be able to withdraw summary information regarding employees with maximum leave balances, unscheduled leave reported, and employees who have not taken vacations during defined time periods.

Other unique PeopleWORCS features will allow employees to better manage their paid time off. For example, they will be able to look at their own leave histories, and individuals with maximum leave balances will receive messages notifying them that they are at risk of losing leave. PeopleWORCS will have links to leave policy information and to frequently asked questions (e.g., amount of leave currently allotted or changes to leave amounts for certain seniority levels). Finally, for employees with further questions, "mail-to" links will facilitate communication with the appropriate staff in Personnel.

PeopleWORCS can even help employees plan their vacations. They will be able to view the on-line calendars showing leave that other employees in their departments have already scheduled; "bank" leave they plan to take at a future date; and use an array of vacation planning links (e.g., to travel maps, weather, and city sites).

With PeopleWORCS, employees will have up-to-date and secure access to their leave balances and histories. Therefore, shadow systems that are currently maintained using valuable staff time will become unnecessary. PeopleWORCS will include screens and data that are convenient and simple to understand. Requesting leave will be fast and easy because employees no longer will have to repeatedly supply personal information that we already have about them. There will be built-in controls. For instance, the on-line leave request will discourage employees from requesting leave they do not have. This new system will be paperless. Data will be collected from the original source -- the employee - reducing errors and duplicate data entry. Supervisors and employees alike will have easy access to leave data in a format that is useful and straightforward.

Simplified Time Policies

Overtime policies at the College are highly complex in part because there are two sets of procedures. Currently, non-exempt employees working overtime make a choice between receiving overtime pay (at time and one-half the hourly rate) or overtime leave (at time and one-half hours). For employees who do not "physically work over 40 hours" (i.e., they have taken leave during the week of the overtime hours), they receive straight time pay or compensatory leave. The choice must be mutually agreed to by employees and supervisors and once made, is in effect for a twelve month period.

The existing overtime leave option is not a real benefit for employees; generally, employees who work overtime have work loads that already makes taking leave difficult. Consequently, they already have maximum leave balances. And overtime leave is not a
benefit for the College either. When "leave" earned for overtime work is paid out to employees at termination, it is likely to be at an hourly rate exceeding the rate in effect when it was originally earned.

In the new design, employees working overtime hours will have one, and only one, option. They will be paid for those hours.

What about exempt employees who are required to work on holidays, official closings, or weekends? Currently, they report these hours (up to an eight hour per day maximum) as compensatory leave. Exempt employees whose jobs require them to work on holidays and weekends, and when the College is officially closed, tend to be in jobs classified as "essential," where taking leave is difficult. Thus, as with non-exempt employees earning overtime, providing these individuals with compensatory leave is not much of a benefit. And the same future cost concerns for the College apply.

In lieu of compensatory leave, in the new design these exempt employees will receive up to eight hours of pay per day when they must work on holidays, official closings, or weekends.

Clearly, employees who must work overtime or on holidays, official closings, or weekends need to be compensated. The College must recognize that they have sacrificed personal time in favor of the best interests of the institution. By paying them, rather than providing illusory compensation, we will reward them for their efforts. These simplified time policies also will be easier to explain and administer.

**Using PeopleWORCS for Reporting Time**

The time that employees must currently allocate to copying, checking, alphabetizing, and delivering time sheets now will be available for more meaningful work.

How will employees report time worked under the new design? Again, the answer depends on the type of employee.

*For Classified Employees.* A default electronic time report will indicate their normal work schedule (e.g., 8:00 a.m. to 5:00 p.m. or 7:30 a.m. to 4:30 p.m.). PeopleWORCS will automatically account for classified employees’ unpaid one hour lunches and daily hours will total eight. Classified employees will only need to report deviations from these schedules. So, when classified employees work their normal eight hours per day, PeopleWORCS and the human resource system will do the rest.
When classified employees have requested or reported leave, those hours will appear in their PeopleWORCS electronic time reports. The leave component and the time reporting component of PeopleWORCS will be fully integrated.

When non-exempt classified employees have authorization to work overtime, they will access their PeopleWORCS time records using e-mail identifications and PINs, and change their default schedules to reflect additional hours worked. For example, if an employee works from 8:00 a.m. until 7:00 p.m., he should change the "time out" in PeopleWORCS from 5:00 p.m. (his default time out) to 7:00 p.m. (his actual time out on that particular day due to overtime). PeopleWORCS will know that the employee worked two additional hours and that total daily hours should be ten. Overtime hours will be calculated at one and one-half times his normal hourly rate. Because this system will be integrated with the leave system, if such an employee did not "physically work" over 40 hours, the hours will be calculated at straight time.

When exempt employees are required to work on holidays, official closings, or weekends, they will report this in their PeopleWORCS time records. For instance, if an employee works on Labor Day, she will change the time for that day from holiday hours to work hours. PeopleWORCS will know that she can receive up to a daily maximum of eight hours of straight time pay for holidays, official closings, or weekends.

For Hourly and Student Employees. They will not have a default schedule; on a daily basis, they will electronically report their time in and time out. College departments will have two time reporting options -- electronic time reports on PeopleWORCS or electronic time clocks.

To use the time report option, hourly and student employees will access their PeopleWORCS time records using e-mail identifications and PINs. On a daily basis, they will enter their time in and time out. PeopleWORCS will calculate the total hours daily and weekly and subtract unpaid lunch periods if appropriate.

With the electronic time clocks option, hourly and student employees will use William and Mary Identification Cards to report their time in and time out. When they arrive at work each day, they will "swipe" their W&M ID through a reader to indicate time in. When leaving work, they will again swipe their W&M ID to indicate time out. The ID readers will capture the time data, which then will be transmitted to the human resource system.

Supervisory Authorization of Time. PeopleWORCS also will make it easier for managers to monitor their employees' work schedules. For one, they will use the system to view the time electronically reported by their employees. They will be able to look at time reported daily, pay period to date, or at the end of each pay period. (Employees too will be able to view their electronic time records in PeopleWORCS.) Also, supervisors will have the capability to "override" or change employee time reports as necessary. The electronic time report will allow employee time to be charged to different salary accounts.
At the end of each pay period (or daily if they prefer), supervisors will use their PINs to electronically authorize the time reported for all the employees they manage. When supervisory authorizations occur, the electronic time reports will update the human resource system, and also will be used to generate payrolls.

More informed managers are better managers.

Other Management Tools. Using PeopleWORCS and a point and click query tool, supervisors will be able to retrieve essential information using the time records of employees they supervise. As with the leave data, they can create instant "management reports" relating to time worked. For instance, they can customize reports about total overtime hours worked, total hours worked by students, and total hours worked by 1,500 hour wage employees. More informed managers are better managers.

PeopleWORCS also will have links to policy information and frequently asked questions (e.g., reporting overtime). Mail-to links will help supervisors and employees alike get the information they need.

In summary, reporting time in PeopleWORCS will be easy, and the electronic time report, like the electronic leave request, will be simple. Convenience for employees and the reduced costs to the College are the most important benefits. The time that employees must currently allocate to copying, checking, alphabetizing, and delivering time sheets now will be available for other, more meaningful work. And once again, there will be built-in controls. For example, if an employee is not eligible for overtime, he will not be able to enter overtime hours into the system. The new time reporting system will also be paperless, and will collect data from the employee as the original source. The problems caused by bubbling errors and scanner jams will no longer occur. The electronic time records will satisfy the record keeping requirements of the Fair Labor Standards Act, thus eliminating the need for employees to record duplicate time and leave data on FLSA time sheets. Supervisors will more efficiently monitor employees' time.

Electronic Pay Stubs in PeopleWORCS

Employees will have point and click access to more and better information than is currently contained in the paper pay stubs. Explanations of all of the confusing codes will be provided.

Perhaps the most visible change resulting from our redesign will be a sharply reduced reliance on paper pay stubs. For employees using electronic payroll (direct) deposit, an electronic pay stub will be available in PeopleWORCS. Instructional faculty, administrative and professional faculty, staff, and student employees all will be affected.
by this change. Of course, employees can be offered the option of continuing to receive printed pay stubs. Indeed, the electronic pay stub itself can always be printed.

Employees will access their electronic pay stubs using their e-mail identifications and PINs. They will then have point and click access to more and better information than is currently contained in the paper pay stubs. Explanations of all of the confusing codes will be provided. Employees will be able to select a link to frequently asked pay questions or mail-to links to staff in Payroll or Personnel Services.

The electronic pay stubs will have links to additional services. When an employee wants to change his personal tax exemptions, he will be connected to a net pay calculator that will show changes to his net pay, based on changes he might make in his personal exemptions. He will have the option to actually change his tax exemptions on-line. Of course, because original signatures are required, he will then print and sign the electronic Form W-4 and forward it to the Payroll Office.

If an employee wants to see her salary history, she will select a link containing that information. Here, she can also view her new salary at the next increase date. For instructional faculty, there will be a link for those considering whether to change their pay from 18 to 24 pay periods. This link will provide net pay scenarios, information about when such changes are possible, and the option to actually make the changes online.

The benefits of electronic pay stubs are obvious. A tremendous amount of paper and staff time will be saved, and the level of service for employees will be dramatically increased.

These benefits may also encourage employees to use direct deposit. When employees use direct deposit (and receive the electronic pay stub), they gain convenience and security -- and the costs to the College are reduced. Consider that the annual cost of mailing paychecks to a single employee is almost $8.00. Because around 25% of the approximately 5,000 College employees do not have direct deposit, the resulting postage costs for one year are about $10,000. In addition, at least once each pay period, an employee's paycheck is "lost in the mail." Costs continue to increase as staff time is then used to prepare a salary advance and as funds are used to stop payment on the lost paycheck. The reduced costs associated with direct deposit are an indirect but important advantage of the electronic pay stub in PeopleWORCS.

* * * * * * * * * * *

The bottom line here? Our redesign of the College's time and attendance practices is bold and constructive change. The paid time off program, a short term disability benefit, the lump sum provision of leave, electronic pay stubs, the exciting potential of PeopleWORCS -- these and other elements of our redesign are dramatic departures from the status quo. But they significantly promote the interests of employees, supervisors and the College as a whole.
Part Four - IMPLEMENTATION

The design must not be broken down into pieces or implemented in stages. Policy and technology should be implemented in concert.

When we talk with other College employees about our membership on the first business process reengineering team, they want to know what our project is all about. But almost without exception, they are more interested in knowing whether or not we think "anything is really going to change."

Our team would like to express three commitments. We are committed to this institution. And we also are committed to the long-term goal of improving administrative operations at William and Mary. But our most immediate commitment is to the full implementation of the new time and leave design. As a team, we cannot overemphasize the importance of the implementation of this project. Each of us will gladly fulfill any role necessary for the successful launching of PeopleWORCS. Our recommendations about implementation are as follows.

**Structure of the Implementation Team.** As with the Time and Attendance Team, the implementation team should report directly to the Executive Steering Committee. This high-level sponsorship will demonstrate the priority of the new design. And, because people will pay close attention to the time it takes to implement this first reengineering project, we suggest that the implementation team report on its progress to the Executive Steering Committee monthly and at critical points.

At a minimum, we think it would be useful for members of our business process reengineering team to serve in an advisory capacity for the implementation of the time and attendance project. We offer ourselves as a resource because we are in the best position to understand the elements of the redesign, and can provide valuable perspective on how to interpret the recommendations. John Marrazzo, Margaret Acquaviva Bell, and Kevin Ciotta could also make important contributions and help provide a bridge from the parting waters of redesign to the sometimes rough waters of implementation.

We also believe that the membership of the implementation team should be diverse in order to capture the range of expertise necessary for it to be successful. Possible "profiles" of the members include:

- top management from Personnel Services and General Accounting,
- the "resulting process owner" from the current Time and Attendance Team,
- an information technologist with a strong background in emerging technologies,
• a representative of the employees and managers who use the time and leave processes,
• staff in Personnel Services and Payroll who explain and provide training regarding the current human resource system,
• a representative from the Computer Center with knowledge of the human resource system, and a team leader.

**Issues of State Policy.** Our design requires some changes to State Personnel Policy. (The necessary adjustments to state and College policies are summarized in Appendix F.) Requests to deviate from state policy should be viewed favorably due to the language regarding decentralized authority for higher education in the 1997 Appropriation Act (Item 266B). A written report to the State Department of Personnel and Training must be the first step. Because of the nature and scope of these policy changes, at a minimum, further review by the Secretaries of Administration, Education, and Finance will be needed. In our favor, decentralized authority for higher education has been ongoing and does address personnel matters. Additionally, both a paid time off program (i.e., universal leave) with a lump sum leave provision and a short term disability benefit are already under consideration for state employees.

**Timing and Redesign Priorities.** Our hope is that the new design can be piloted in a large, diverse College department beginning in December 1997. A full implementation date of March 1, 1998 does not seem unreasonable.

Time and leave are so interrelated that the design must not be broken down into pieces or implemented in stages. There is, however, a natural split between the new programs and policies we describe and the new technologies that they require. The expertise of members of the implementation team should reflect this division. Some members should have technical backgrounds and others should have human resources and payroll knowledge. Still, policy and technology should be implemented in concert.

The most important implementation task will be educating employees about the new design and the advantages it will bring.

**Explaining the New Design.** This report describes major departures from existing practices at William and Mary. Members of the college community will develop some new skills, vocabulary, and habits. Despite their benefits, the changes may raise concerns among employees. We believe that information is the best remedy for such concerns. Indeed, the most important implementation task will be educating employees about the new design and the advantages it will bring.

The importance of educating people about PeopleWORCS and the new time and attendance process could extend beyond our own employees. One goal of the College's strategic plan is to increase involvement in economic development activities, in part by
offering our expertise to other organizations in the area, including the business community. Many local human resource officials with whom we spoke emphasized that their own time and leave processes were outdated, and they asked to be kept informed about the changes we implement. Perhaps the new design should be systematically showcased for other employers in the area.

Part Six - CONCLUSIONS

We are not suggesting technology that will quickly become outdated; in fact, we can grow with PeopleWORCS.

Our hope is that this report demonstrates not only the complexity and inefficiency of the current time and attendance processes at William and Mary, but also the imperatives for change. The redesign we outline is bold, comprehensive, and technologically sophisticated -- but it is achievable. It will dramatically improve service to employees and supervisors, and can be accomplished with moderate resources. It will affect many members of the College community. It will produce considerable "bang for the buck."

Most important, the new design fits William and Mary. It is consistent with the guidelines articulated by the Executive Steering Committee, the strategic plan, and the needs of employees and supervisors. We are not suggesting technology that will quickly become outdated; in fact, we can grow with PeopleWORCS. The most progressive employers in the country have used similar technologies to radically enhance the services they provide, even beyond what we have outlined here. This reengineering project is a first step.

As we have expressed, the existing time and attendance processes at the College have evolved more for the convenience of various offices and organizational units rather than for the real needs of employees and supervisors. Our new design is oriented toward their interests. But we also believe that the individuals and offices responsible for directly administering time and attendance policies will be better off. They will now do more with less bureaucracy.

The College of William and Mary can be the most distinguished small public university in the nation and a progressive employer. For us, the two goals seem inseparable.