Technical Update Forum
August 2014

HR/Payroll Modernization
Agenda

- Project Update & Design Decisions
  
  Jacob Morris
  
  HR/Payroll Modernization project

- Workday Technical Showcase
  
  Bill Misiani
  
  Team Workday

- Technical Impact and Preparation
  
  Bill Shirey
  
  UW Information Technology

- Q&A
Vision & Objectives of HR/P

Vision
HR/Payroll Modernization will deliver a modern system and set of standardized processes to significantly improve support for critical HR and payroll functions across the University.

Objectives
• Replace UW’s existing payroll system with a modern, integrated HR and payroll system
• Implement a technology platform that allows UW to outsource the infrastructure
• Implement standardized HR and payroll processes and practices across the entire University
• Reduce UW’s risks, realize efficiencies, enable modern practices, and provide better competitive positioning
# Phase I - Functional Scope

<table>
<thead>
<tr>
<th>Functional Area</th>
<th>Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR (Human Capital Management)</td>
<td>Organization structures, business sites, job profiles, staffing</td>
</tr>
<tr>
<td></td>
<td>models, worker profile, staffing, manager self-service, employee</td>
</tr>
<tr>
<td></td>
<td>self-service</td>
</tr>
<tr>
<td>Compensation</td>
<td>Compensation packages, plans and rules</td>
</tr>
<tr>
<td>Absence Management</td>
<td>Accrual rules, balances, requesting time off, requesting leave of</td>
</tr>
<tr>
<td></td>
<td>absence</td>
</tr>
<tr>
<td>Talent Management – Medical</td>
<td>Maintain competencies, rating configuration, skills and experience,</td>
</tr>
<tr>
<td>Centers</td>
<td>performance management</td>
</tr>
<tr>
<td>Benefits Admin</td>
<td>Benefit groups, insurance plans, benefit plans, evidence of</td>
</tr>
<tr>
<td></td>
<td>insurability requirements, eligibility, benefit rates, transferring</td>
</tr>
<tr>
<td></td>
<td>benefit costs to payroll</td>
</tr>
<tr>
<td>Payroll Admin</td>
<td>Earning and deduction codes, pay calc rules, payment election rules,</td>
</tr>
<tr>
<td></td>
<td>configuration of pay slips, working with state and local tax</td>
</tr>
<tr>
<td></td>
<td>authorities, payroll accounting, payroll audits, settlement runs</td>
</tr>
<tr>
<td>Time Tracking</td>
<td>Calculations, validations, time entry templates</td>
</tr>
<tr>
<td></td>
<td>- Medical Centers will continue to use Kronos</td>
</tr>
</tbody>
</table>
Technical Scope

Systems to be replaced by Workday:

- HEPPS
- OPUS
- OWLS
- Lawson (UW Medicine)
- UW Timesheet
- ETR/PTR
- Time Reporting
- Employee Self-Service (ESS)

Systems with significant impacts:

- Enterprise Data Warehouse/Operational Data Store
- Financial Accounting System (FAS)
- Budget System (BGT)
- KRONOS
- Your System?
# HR/P Implementation Timeline

**March – April 2014**
- **Plan**

**April – October 2014**
- **Design (Architect)**

**Nov 2014 – May 2015**
- **Configure & Prototype**

**May – October 2015**
- **Test**

**Nov – Dec 2015**
- **Deploy**

**Jan-Feb 2016**
- **Post-Production support**

---

**Data Conversion and Migration**

**Integrations**

**Quality Management**

**Organizational Change Management, Communications, Knowledge Transfer and End-User Training**

---

**Operational Readiness**

---

*We are Here*
Discovery
- Completed outreach to integration owners of high-risk/complex integrations
- Generated initial list of integrations
- Aligned integrations into “waves” based on complexity, dependencies

Design
- Finalized integration list
- Integrations designed (mapping, data format(s), integration type(s) and end points
- Integration development plan

Begin Configuration
HR/P Report Analysis

Current State Report

- Workday Functionality & UI
- Custom Workday Report
- Workday Standard Report
- Workday Business Process
- Externally Managed
- New Business Need
Impacts All UW Workforce Members

• Staff, faculty, and student employees
  o Use a new online tool to:
    ▪ Access earning statements, leave balances, and time off requests
    ▪ View and change direct deposits and W2 withholdings
    ▪ Change personal information (contact info, benefits selections)
  o Receive pay on a different schedule

• Managers and supervisors
  o Easily review employee schedules (Medical Centers will still use Kronos)
  o Approve time-off requests (Medical Centers will still use Kronos)
  o Track credentials

• Technical staff working with HR/Payroll data and systems
  o More accurate data; richer set of information for decision making
  o Some data will shift from one system/table to another
  o Systems utilizing HR/Payroll data will need to change due to shift in data model as HR/Payroll conceptual models change
KEY DESIGN DECISIONS

- Biweekly Pay Cycle
- Actual Time Reporting
- Position Management
- Job Classification Changes
Biweekly Payroll Cycle

• **Existing Issue:** Current semi-monthly pay cycle results in operational problems.
  
  o Challenging to accurately calculate overtime and premium pays for eligible employees when a pay period ends in the middle of a work week (13x in 2013)
  o Confusing for employees, whose schedules are based on work weeks, not semi-monthly periods with varying numbers of work days
  o Neither common nor best practice, but until March 2014, was required by state law
  o Maintaining a semi-monthly pay schedule with the new HR/Payroll system would require customization or configuration, adding cost and labor to the project and to future payroll processes

• **Solution:** Move to a biweekly payroll cycle with the implementation of the new HR/P system.
  
  o A change to state law allows higher education institutions to choose to switch to a biweekly pay cycle
  o Saves approximately $750,000 annually
  o Implementing a standard biweekly pay cycle with new system avoids $1.5 million to $3 million in added cost
Benefits of Biweekly

For Employees:
- Establishes a consistent length for each pay period.
- Paychecks are received 26 times per year.
- Overtime pay will be easier to calculate and therefore more timely.
- Uses a consistent hourly rate for leave without pay.
- Helps an employee to understand and verify worked and paid hours.

For the University:
- Standardizes and establishes a more systematic approach to payroll time reporting across all UW locations.
- Aligns with business and healthcare best practices.
- Reflects more efficient and effective time reporting.
- Reduces payroll adjustments and overpayments, mitigating compliance risk.
Consistent payroll period length improves overtime pay calculation and reduces payroll adjustments.

**HEPPS**
- 24 pay periods
- Monthly salary rate, deductions
- Consistent monthly financial impact
- Monthly leave accruals

**Workday**
- 26 pay periods
- No monthly salary, deductions
- Two or three payroll postings per fiscal month
- Leave accrual changes
Actual Time Reporting (ATR)

- **Existing Issue:** Paying overtime-eligible staff on a salaried basis and using exception time reporting (ETR) to adjust pay eligible hours creates challenges:
  - Requires manual entry when employees’ actual hours differ from their scheduled hours
  - Increases the complexity of and likelihood of error in UW payroll processes
  - Makes it more difficult for employees to understand their paychecks
  - Does not allow UW Medicine to link time worked to the unique scheduling and work environment of a healthcare business
  - Compromises UW’s ability to extract full value from a contemporary HR/Payroll system

- **Solution:** Move to actual time reporting (ATR) with the implementation of the new HR/P system.
  - Overtime-eligible employees are paid each pay period for the actual hours worked or charged to paid leave in that pay period
  - Overtime and premiums earned during the pay period are added to the hourly pay
Benefits of Actual Time Reporting

For Employees:
- Aligns worked and paid hours, making pay advice slips easier to understand.
- Reduces the amount of time staff spend with employees explaining their paychecks.
- Improves timely payment of premium pay, particularly for the Medical Centers.
- Provides paycheck consistency for employees who regularly earn premiums.
- Improves ability for employees to reconcile time worked with time paid.

For the University:
- Supports FLSA compliance – overtime eligible staff are paid on an hourly basis and overtime exempt staff are paid on a salary basis.
- Eliminates exception time reporting of overtime related exceptions and requires minimal intervention by managers and payroll staff.
- Reduces under and overpayments.
- Clarifies data on pay statements.
- Aligns UW Medicine pay practices with industry standards for health care.
Actual Time Reporting – Tech Impact

Aligns worked and paid hours, making pay advice slips easier to understand.

*Change applies to current overtime-eligible salaried employees (14,000 employees across UW)*

### HEPPS
- Paid on salary basis
- Overtime based on monthly salary rate

### Workday
- Paid on hourly basis – actual hours worked
- No monthly salary rate
Elimination of Unused Job Classifications

**Existing Issue:** Currently, the classified compensation plan contains unused classifications represented by unions (e.g., accelerator technician 1, statistical typist, and hospital shift engineer).
- The HR/P Modernization project will use the UW’s active job classifications in its design process.
- Carrying unused job classifications into the new system will unnecessarily add complexity to the system design and result in additional work now and for future maintenance requirements.

**Solution:** The UW proposes eliminating unused job classifications.
- Contractually required notice will be provided to the unions; meet and confer with the union representatives about this proposal.
- Those classifications recommended for elimination will be determined based on review of recent historical use, review of the classification in context of other job classes (e.g., not requesting to eliminate level 2 of a three classification series), and discussion with HR Compensation office.
- Removes unnecessary complexity from the HR/P system design process.
- Eases the burden of maintenance requirements on unused job classifications.
- Ensures a clean list of job classifications will be loaded into Workday.
HEPPS

- 2,200 active job codes
- A small percentage are obsolete (typist II), or unused
- Same duties, grade, title across several classifications (e.g., Secretary)
- Ranges have meaning

Workday

- Job profile = duties, grade
- Remove obsolete and unused classifications
- Union(s) are attribute
- Numbering will change
- Use attributes, not ranges
Position Management

• **Existing Issue:** The method UW uses to manage personnel is challenging.
  o The University does not currently have HR-related position management functionality
  o Personnel are managed through their labor distributions – a combination of the job classification to which they are appointed, time worked, and funds paid out of a given budget in any given payroll period
  o The University risks being unable to meet reporting requirements set forth by the federal government, state and other agencies critical to the accreditation and support of business at the UW

• **Solution:** Implement position management as the default staffing model.
  o Provides flexibility, enhances standardization, and meets compliance needs
  o Maintains position information after an employee has vacated the role
  o Enables the UW to take full advantage of the Workday tools provided
  o Sets the stage for possible future integration into a financial system
**Benefits of Position Management**

**For Units:**
- Enables units to efficiently generate an annual hiring plan and reduces the amount of information that needs to be collected to support immediate/urgent hiring requests.
- Planning and approval of positions in advance of the recruitment process reduces the recruitment cycle.
- Less data entry is required at the time of hire as job profile data is defaulted from the position, including certification requirements where applicable.
- Provides all units with access to the same technology platform for planning purposes.

**For the University:**
- Provides transparency into the recruiting, planning, and budgeting process.
- Allows leaders to readily identify filled, open, and closed positions across the institution.
- Provides a foundation for trend reporting and analytics in talent and retention.

**For Represented Positions:**
- Provides clarity regarding work assigned to positions held by represented employees.
HEPPS data relationships are much more hierarchical and limit flexibility. Workday’s data relationships allow for much more nuanced use of data.
Terminology Changes

HEPPS

- Employee
- Job Class
- Appointment
- Labor Distribution

Workday

- Worker
- Job Profile
- Position
- Cost Allocation

Full glossary is online: https://f2.washington.edu/teams/hrp/design/functional
What Workday Means For You

• Design and delivery of direct Workday integrations (during implementation project)
  o HR/Payroll Modernization project team
  o Includes members of current HRIS and UW-IT Production teams
  o Also includes Team Workday consultants with previous experience with Workday implementations

• Modification or elimination of current system and signoff on integrations
  o Current system technical contacts
  o Business owners

• Necessary local action based on:
  o Potential impact of change to biweekly payroll other current key design decisions
  o Whether Workday will replace the functionality of current system and sunset plans for those functions
Workday Architecture Overview

Customer’s users & systems

- Mobile Users
  - Smartphones
  - Tablets
- Desk Users
  - Internet Browsers
- Systems
  - Integration & Data Services

Workday co-location data centers*

- Workday Business Service Architecture
  - UI Servers
  - Object Management Services (OMS)
  - Integration Services
  - Persistent Store

Internet

* Workday operates the Workday Business Service from Co-Location Cages within 3rd party Data Centers
Customers select a location, and the service runs only from that single & selected Co-Location DC
Workday’s Integration Cloud

Workday Cloud

Workday Applications
- Public Web Service APIs
- Custom APIs

Workday Integration Cloud
- Integration Cloud Platform
  - Integration Cloud Connect
  - Custom Integrations

Cloud Applications
On-Premise Applications
Benefits Providers
Payroll Providers
LDAP/AD
Workday Integration Cloud – Capability
Most Integrations need Core Data

- Worker Data
- Worker Data, Open Positions, Org, Location
  Applicant and/or Hire Information
- Worker Data, Positions, Org, Location
  Incentive Compensation (bonus, etc…)
- Leave
- Worker Data
  Cost Centers, Org Data
- Organizational Data, Supervisory Hierarchy
- Pay data (worker data, salary, Leave, Earnings, Deductions, etc…)
- Worker Data

- UW Systems
- UWHIRES
- Compensation
- Kronos
- FAS
- Org Management/Workflow
- EDW/ODS
- DRS
Example Change Detection Workflow

- Incremental changes since last run
  - Include changes effective in date range
  - Include retroactive changes
  - Exclude future changes for active employees

- Complex changes
  - One-time payments in future pay periods for terminated employees
## Update with Staffing Changes

<table>
<thead>
<tr>
<th>Staffing Change</th>
<th>Effective Date</th>
<th>Data Included</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Hire into a pay group</td>
<td>Hire Date</td>
<td>All sections for employee</td>
</tr>
<tr>
<td>No longer employed</td>
<td>Termination Date</td>
<td>Status section plus any other data changes</td>
</tr>
<tr>
<td>On unpaid leave of absence</td>
<td>First day of leave</td>
<td>Status section plus any other data changes</td>
</tr>
</tbody>
</table>

- Functional rules for staffing events
- Each staffing event has a defined event or effective date
- Data is included based on type of event
Typical Integrations Mix in Production

- **30%**: Integration Cloud Connect
- **15%**: Workday Studio
- **55%**: Enterprise Interface Builder (EIB)
Integration Patterns

- **Enterprise Interface Builder (EIB)**
  - No programming required – Usable by Business Analyst and Users
  - Easy-to-use, form-based graphical tool
  - Bulk perform a large number of tasks or load large amounts of data into Workday using Excel spreadsheets

- **Integration Cloud Connect**
  - *Connectors* are pre-built integration templates and address the majority of the integration effort required to connect to third-party end points.
  - *Packaged integrations* are fully designed end-to-end integrations to a specific named third party application or service.

- **Workday Studio**
  - For sophisticated integrations
  - Rich, graphical development environment
  - Deployed and run in the Workday Cloud
Enriching Workday with External Data

- **Use Case:** Load Student Credits into Workday
- **Challenge:** Workday does not deliver industry/LOB specific objects or APIs
- **Solution:** Use **Custom Objects and REST API** to store Student information on the Worker Object

![RESTClient](image)

**Additional Data**

- Credits 165
- Apparel
  - Apparel Type
Subscribe to System Events

- **Use Case:** When changes occur in UW systems, how can Workday subscribe to those notifications?
- **Solution:** *Workday Studio and Listener Service* allows UW system to post event messages to a URL defined by Workday.

![Image of Workday Studio and Listener Service interface](image-url)
Publish System Events

- Use Case: When changes occur in Workday, how can UW be notified.

- Solution: Workday Studio, Message Queues and Business Process Framework allows Workday to post event messages to a message queue accessible with REST API.
Reports

- Reporting capabilities are built into Workday
- Workday provides over 2000 delivered reports
- Reports from Workday are actionable
- Security is baked into the roles people are assigned
Available Reports

Workday Standard Reports

Report Categories

search

- Academic Affiliates
- Academic Faculty
- Account Provisioning
- Additional Data
- Application: Core Services (Audits)
- Application: HCM (Audits)
- Application: Payroll (Audits)
- Audit - Academic (Audits)
Report available in multiple formats.

Tag results

Filter to view fewer rows

Reports return actionable results. Blue text is a link to the object. Objects also have related actions menu.
Workday Showcase

- Reporting features
- Reports-as-a-Service (RaaS)
Technical Impact and Preparation

- HR/Payroll Integration
- Data Model
- Impact of Design Decisions
- Operational Reporting
SO FAR SO GOOD
UW-IT and HR/Payroll Modernization

Enterprise System Changes
(FAS, eFECS, SIS, PersonReg, etc.)

EDW/ODS Changes

Integration Platform

Integrated Testing

Enterprise Reports

Campus Engagement
How Do You Receive HR/P Data?

1. Flat file from HEPPS
2. SQL from EDW (EDWSQLC1DB1)
3. SQL from ODS (UCSSQLC1DB1\ODS)
4. HRP Web Service
5. Download-enabled Enterprise Report
   (Employee Download by PUC, Org Code,...)
6. Other...

Hint: There is more than one correct answer for many of you
Today’s Enterprise Systems

**Finance**
- FAS, FASTRANS, FAST, MIS/OFIS, PAS, TIME, BGT
- MyFD, eFECS, Ariba, ProCard, Invoice Logging, JD Edwards, OASIS

**HR/Payroll**
- HEPPS, OPUS, ESS, Time Reporting
- OWLS, UW Timesheet, DAPP, Affirmative Action, TaxForms, POD Registration, Temp Services

**Research Admin**
- SAGE, SPAERC, SERA

**Facilities/Services**
- COM
- FacilityMax, FS-WORKS, MyChem, Transportation Services, ROME
- ID card, CAAMS, SIMS

**Student**
- SDB, Student Personal Services, EARS, TS Construction, DARS, MyUWClass
- EOS, IsAtlas, R25, Recruiter, Studio Abroad, MyPlan
- MyGradProgram, HFS Systems

**Advancement**
- Advance
- ReportWriter.Net, Michaelangelo

**Legend**
- UW-IT supported mainframe systems
- UW-IT supported non-mainframe systems
- Non-UW-IT supported systems
Direct Workday integration will primarily facilitate core HR/Payroll business processes.
Data Relationships

**HEPPS**

- Employee
  - Appointment
    - Distribution
  - Appointment
    - WOS
  - Appointment
    - Distribution
      - Distribution
      - Distribution

**Workday**

- Position
  - Job
    - Earnings
  - Worker
    - Cost Allocation
EDW/ODS Impact

- Appointment
- Job Classification
- Person
- Earn Type
- Actual Distribution
- Bargaining Unit
- Contact

INFORMATION TECHNOLOGY
UNIVERSITY of WASHINGTON
Future Data Model

Job Profile

Supervisory Org

Position

Worker

Cost Allocation

Payroll Result
Future Data Model

- Job Code 1234
- Senior Computer Specialist
- Professional Staff
- FLSA Overtime Exempt
Future Data Model

- Student Fiscal Services Computing
- Manager: Andrew Monusko
Future Data Model

- John Smith
- 880-003-297
- 206-543-6324
- Started @ UW 4/15/2008
Future Data Model

- SFS Application Developer
- Permanent
- 1.0 FTE
- Seattle

- John Smith
- Started 7/1/2012
- $65,000/yr
Future Data Model

- 80% 14-3022
- 20% 01-4956
Future Data Model

- Period 7/14-7/27
- Pay Date 8/1
- Gross Pay $4,000
- Net Pay $2,543
- 14-3022: $3,500
- 01-4956: $500
Impact of Design Decisions

- **Biweekly Payroll**
  - “Month”
  - Two or three payroll postings per month

- **Actual Time Reporting**
  - Expanded population of permanent employees paid on hourly basis

- **Job Classification Changes**
  - Current number ranges may change
  - Richer set of attributes
Operational Reporting

- Operational reports will be provided in Workday
- HR/Payroll reports utilizing the EDW and ODS will be discontinued
- Financial reports will be retained and will be adapted
Operational Reporting
### Timeline

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Activity:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan</td>
<td>Design (Architect)</td>
<td>Configure &amp; Prototype</td>
<td>Test</td>
<td>Go-Live</td>
<td>Post-Production Support</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Deploy</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Campus Activity:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assess/Plan</td>
<td>Func. Des.</td>
<td>Modify</td>
<td>Integration Testing</td>
<td>Post-Production Support</td>
<td></td>
</tr>
</tbody>
</table>

**We are Here**

- **Mar – Apr 2014**
  - Plan

- **Apr – Oct 2014**
  - Design (Architect)
  - Data Model

- **Nov 2014 – May 2015**
  - Configure & Prototype

- **May – Oct 2015**
  - Test

- **Nov – Dec 2015**
  - Go-Live

- **Jan - Feb 2016**
  - Post-Production Support
Next Steps

Prepare

- **Respond** to the [forum follow-up survey](#)

- **Assess** your unit’s use of HR/Payroll information
  - The HR/Payroll Modernization project and UW-IT are both available for assistance ([hrpmod@uw.edu](mailto:hrpmod@uw.edu))

- **Plan** ahead for a busy 2015:
  - Prepare system changes (Now – May 2015)
  - Integration testing (April 2015 – October 2015)
  - Go-Live (Late-December 2015)
Questions?

hrpmod@uw.edu

http://f2.washington.edu/teams/hrp