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Resuscitating a hospital payroll system

Two Ottawa hospitals team up to implement new technology

By Danielle Harder



In the fall of 2005, the goal of introducing a new payroll system at Queensway Carleton Hospital (QCH) in Ottawa seemed straightforward. But when the timeline was shortened, the hospital's payroll officer got sick and the staff quickly expanded to 2,000 employees — double what the old system could handle — the mission got desperate.



"It was hell," says Janet Brown, the hospital's director of compensation and benefits, HRIS and payroll.

The old system was "pretty archaic" but the HR team was muddling along as it searched for a replacement, she says. Then came the call that changed everything: The technology provider, Health Vision, would no longer be supporting the product, effective April 1, 2008.

"It was a bit of a nerve-wracker because it's a payroll system and you can't implement it overnight," says Brown. "It's an impossibility. We had a bit of a panic attack."

Fortunately, around the same time, another hospital in Ottawa was also looking for a new system. QCH and Montfort Hospital joined forces and sent out a request for proposal. After researching several systems, the hospitals settled on the VIP integrated HR-Payroll System by DLGL, a Quebec-based HR technology provider. QCH and Montfort split the nearly \$1 million tab.

"The cost of going to a robust system was half-price, so that made things a little bit easier," says Brown.

This was a good thing because implementing the system, in nine months without a payroll officer, put tremendous pressure — financially and emotionally — on the hospital. Added to that, most of the implementation team, including Brown and HRIS analyst Michael Cleroux, had only been with QCH for a few years.

"In a million years, I would never have chosen to put in a system of this scope and this complexity in that kind of a timeline," says Cleroux. "I would have added at least three months to that."

Without the luxury of time, the hospital had staff working around the clock to get the system up and running. On April 1, 2008, they delivered 1,800 paycheques; about 30 had minor discrepancies. On a regular Friday, there are about 15.

"From a success point of view? I was hopping down the hall," laughs Cleroux.

The VIP system is only in its first phase — payroll — with scheduling and other HR functionalities, such as assistance with recruitment and training, to be added in the near future.

Already, seemingly trivial aspects of HR are gaining efficiency, says Brown. Maternity and parental leaves that used to have to be calculated manually are now done electronically. Other exceptions, such as accommodations for injured workers or unionized workers assigned to non-union jobs, are also built into the system. It's a far cry from the past.

"Even though we had 2.5 people, I had my full-time payroll officer that was working over and above an eight hour day, just to do those off-line adjustments," says Brown.

The next step is to add the scheduling system, hopefully within the year. Electronic timecards that are now entered into the payroll system will be a thing of the past. Cleroux says the act of scheduling employees will automatically create the timesheet. He expects that function alone to shave one-and-a-half days off data entry at the end of every two-week period. At this point, though, he says it's too early to say what the overall cost savings will be to QCH.

Gary Earles, vice-president of HR and organizational effectiveness at QCH, says the savings will be there but they will be indirect. He points to a new function for tracking not only the number of hours of sick leave an employee has taken, as in the past, but also how many times and when.

"It's the frequency that someone is off sick that's as important to a manager as how many hours they're off," he says. "If someone is off every second week, that's a problem. You need to plan for it."

Ultimately, QCH could see a reduction in sick leave because these employees would be identified and offered counseling or support, says Earles.

The final phase will see the introduction of other HR functionalities. Even issues such as succession planning can be addressed with the VIP system because it can spit out "invaluable" information, such as how many people will retire in the next five years, he says.

And, as the hospital continues to expand and restructure, Brown says the system will provide greater efficiency to the HR team as a whole. With everything rolled into one technology, it captures an employee's entire life cycle with the organization.

"It's the front end that feeds the payroll. If you don't get it right from day one — date of hire, what job you're going into and at what salary — the payment is wrong at the end of the day," she says, adding that the flexibility of the system will also allow the hospital to tread into labour negotiations with more confidence, in terms of what it can accommodate vis-à-vis its technology.

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