

Introducing a Web-Based Additional Compensation System

Melissa Carter
Louisiana State University

Cory Hutchinson
Louisiana State University

Abstract

The existing administrative Human Resource Management System was established at Louisiana State University (LSU) over twenty years ago in 1983 using hierarchical, logically related IMS databases. This system requires users to enter data within a mainframe environment and print forms for routing and approval. The decision to re-evaluate the current system was driven by changing requirements within the Human Resource Office, advances in technology, a need for better communication, and improved workflow capability. The Human Resource Management System consists of three sections; position control, transaction processing, and additional compensation. In an effort to better manage the massive undertaking of creating an entire Human Resource System, the university decided to divide the project into smaller sections. The Additional Compensation System was chosen as the first section to redesign since its transactions stand alone and are not associated with other personnel transactions. In May 2007, a web-based, user friendly Additional Compensation system was introduced to the LSU community. This new online system has improved communication between various departments, reduced cost associated with processing paper, and expedited form processing.

Introduction of the Organization

Louisiana State University (LSU) is a public land-grant, sea-grant, and space-grant institution with the flagship university located in Baton Rouge, LA. Accredited by the Southern Association of Colleges and Schools, LSU provides a foundation for future growth by offering nationally ranked programs to the student body. In addition, the university proves itself as a prominent force in the national arena for federal projects and funding.

LSU is part of the LSU System which is comprised of ten educational institutions and a health care division that manages the Louisiana's public hospital system. The HR System affects the following seven campuses within the LSU System: LSU, LSU at Alexandria (LSUA), LSU at Eunice (LSUE), Pennington Biomedical Research Center (PBRC), LSU Systems (Systems), the Hebert Law Center, and LSU Ag Center (LSU Ag). The workforce consists of over 15,000 employees spread throughout the different campuses working as academic personnel, professional employees, classified workers, graduate assistants, transients, and students.

The Additional Compensation System captures and stores data related to payments made to employees for work performed in addition to their primary employment responsibilities. From July 1992 to July 2007 over 65,000 additional compensation forms were processed.

Statement of the Problem/Initiative

In 1983, the original administrative Human Resource Management System was created using hierarchical, logically related IMS databases. To assist with reporting and ad-hoc queries, a portion of the IMS database was migrated nightly to relational DB2 tables. The on-line screens updated the IMS databases and a nightly load to the DB2 tables was implemented. The Human Resource Management System is the last of the legacy applications that uses IMS databases, and a main objective of the university was to eliminate the use of these data structures.

The Human Resource Management System consists of position control, transaction processing, and additional compensation. Users are required to enter fields within a mainframe environment and print paper forms for routing and approval. The university has experienced problems with slow processing, untimely payments, and lost paperwork. Administrative offices cope with a high volume of phone calls from departments searching for forms and employees requesting payment schedules. The necessity for improved communication and streamlined processing resulted in the decision to replace the existing application with a user-friendly online system that would allow for electronic routing and approval.

In an effort to segment the large task of creating an entire Human Resource System, LSU decided to design and implement the Additional Compensation System first. Additional Compensation allows the university to pay employees for performing work that is outside the

normal duties of their jobs. The Human Resource System tracks additional compensation transactions separately from employment transactions. Each transaction stands alone, but the records are stored historically to monitor annual limits established and governed by university policy.

Prior to designing the new system, the following problems were identified:

- Invalid data due to inadequate edits and lack of knowledge on campus
- Inaccurate reporting due to the storage of data on hierarchical, logically related IMS databases
- Untimely payments due to lost paperwork and incomplete forms
- Insufficient workflow process that was exacerbated by pushing a paper document
- Timely payroll balancing process

Design

Once the need for a new Additional Compensation System was determined, the system was executed in two phases: planning and development.

During the planning phase of the Additional Compensation project, a committee was created to further define the system requirements. Since the Human Resource Management System is highly integrated with several other university financial and administrative systems, the members of the committee originated from numerous departments. Representatives from Human Resources, Information Technology, Accounting Services, Budget & Planning, Sponsored Programmed Accounting, and Financial System Services were involved in the definition stage. Once the overall system was outlined, an entity-relationship model was constructed. The purpose of the model is to show a pictorial representation of entities and their associated

relationships. Finally, a Requirements Definition document was written and signed by the representatives of the committee and key executive personnel. This document thoroughly outlined the scope of the project and the requirements as determined by the steering committee.

Upon completion of the planning phase, the university was able to proceed with the development phase. DB2 tables were created and programming of the new web based additional compensation system began. Within three months, users were able to test online screens. These users consisted of Financial System Services, Human Resources, Payroll, Sponsored Programmed Accounting, Budget & Planning, and select colleges across campus. In addition to the online screens, batch programs were assessed for accuracy. Finally, production data was converted to the new system and parallel testing was conducted.

Implementation

Prior to introducing the new system, the campus was notified of the upcoming change through paper and electronic newsletters. One month prior to the rollout, a massive overview describing the functionality of the new system was conducted with contacts from each department.

Financial System Services also provided smaller detailed training sessions for individuals desiring further assistance. To ensure that users would not experience a lag in production due to an initial large amount of users, larger departments were allowed access to the system prior to the mass rollout.

Benefits

The benefits received by the Louisiana State University (LSU) community from the implementation of the web based Additional Compensation system have been immense. The university has received positive feedback from the departments on processing time and ease of

use. Below are numerous examples of how the completion of the project has benefited the university:

- The introduction of an online process replaced a paper product. With the elimination of paper, the associated cost of the paper was eliminated and the university benefited financially.
- The new system expedited the routing and approval process by allowing more than one individual to review a form at once. There is no longer a bottleneck associated with moving one piece of paper from desk-to-desk.
- The ability for departments and employees to track their forms using LSU's Web Portal (PAWS) has reduced the amount of phone calls received by processing offices. Departments are now able to see where a form is in the payment process. In addition, the employee can view when their payments are scheduled.
- Information from the Additional Compensation system feeds the Personnel Activity Report System (PARS) used to certify time for sponsored agreements. Since processing time has been expedited and payments have been received in a timely fashion, there has been an improvement with the accuracy of PARS.
- The system serves seven campuses. The time that used to be associated with transporting a paper document has been eliminated with the implementation of the online process. This has been especially beneficial to the LSU Agricultural Center, which has multiple locations across the state.
- System edits introduced with the new system have reduced the errors that were causing a lag in the time associated with processing paper forms. One of the major complaints prior to the system was the incorrect use of object codes. The system has eliminated this

by allowing the object code to default based upon the type of additional compensation being rewarded.

- Most departments were not aware of the required approvals and documentation needed to process the Additional Compensation transactions. They would simply complete the paper form and send the document to Human Resources (HR). It was then HR's responsibility to acquire the additional approvals and contact the departments about missing documentation. The system has made the departments more aware and accountable by not allowing a form to move forward in the process before the necessary documentation has been completed.
- The system provides the user with online help manuals and data dictionaries. This both empowers the user with the knowledge needed to complete the form and reduces the amount of phone calls received by the processing departments.
- With each type of employee being paid in a unique manner, loading payments for Additional Compensation used to take the Payroll Department a considerable amount of time. The new system drastically reduced the time needed to process payments by creating a subroutine that automatically calculates how each employee should be paid.