

## The Challenge

The Payroll Process in this large, multi-facility Magnet healthcare organization struggled with a variety of challenges that had a direct impact on employee paychecks. These challenges often resulted in employees being paid inaccurately or untimely.

## Targets

A Rapid Process Improvement (RPI) workshop was conducted with a 17-member Team. The Team was asked to accomplish the following targets:

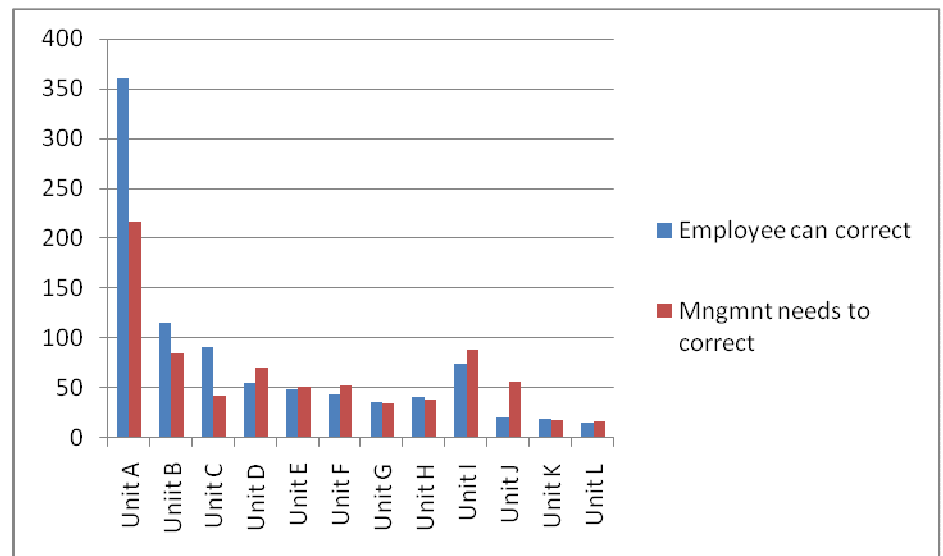
- Design and document a pilot process for accurate time cards
- Reduce the number of off-cycle checks
- Reduce the number of variances/historical adjustments
- Determine pilot implementation plan
- Establish metrics to determine if pilot is successful
- Determine possible full implementation strategy and timeline
- Compile a list of education and training needs

## Before

The existing payroll process was analyzed during the Assessment and Planning Phase of the RPI. The current situation was identified as follows:

- There is no standard time recording process which often results in inaccurate pay to employees.
- Employees do not fully utilize the Kronos payroll system to enter variances.
- The schedulers enter and approve many variances/edits that could be handled by the employees.
- Variance Logs differ between units.
- The schedulers are not fully aware of the current tools and reports.
- Much time is spent checking multiple documents to ensure correct time cards.
- There is no accountability for the accurate and timely submission of time cards and there are no consequences for inaccurate timecards.

Below is a chart that shows the number of edits made by the manager and/or scheduler in four sampled departments. The blue bar indicates pay code edits that require manager and/or scheduler input and the purple bar indicates all other edits that can be done by an employee but were being completed by the manager/scheduler.



## Areas of Focus

The scope was defined as the point from the first swipe in the pay period to the deadline for scheduler entry. This included many different processes and job functions each contributing their own level of complexity. In addition, each unit had unit-specific processes and “rules” that had to be considered during the workshop.

## Workshop Actions

By design, RPI workshops are used as a fast-cycle method for implementing Lean. A Lean consultant led the Team through an education module explaining the methodology, flow and expectations for the week-long workshop and Team member roles. At this point, the Team went through a visioning exercise which led to an action phase. Below are some of the actions taken during the workshop:

- Reviewed and refreshed knowledge of current policies for time card entry
- Updated the variance log
- Revised the Time Card policy
- Distributed packets that included letter explaining the process, current allowable pay codes, sample of updated variance log and revised Time Card policy
- Eliminated checking and rework steps
- Re-educated appropriate staff on available tools
- Developed and implemented a pilot program
- Created mandatory training programs
- Implemented a “train the trainers” program
- Posted an “employee issues” log
- Developed and distributed a User Guide
- Posted “cheat sheets” on computers
- Conducted daily audit meetings on units
- Distributed a staff survey
- Established measurement and sustaining plans

## Outcomes

The outcomes were incredible! By the end of the workshop week, the Team had created a solid pilot project plan based on the changes made and actions taken. There were several “big wins” incorporated into the pilot, including: employee has ownership of own time card, reduce waste for scheduler and rapid implementation timeline. Additional “big win” outcomes:

- Reduced barriers to approving time cards
- Standardized the process
- Eliminated the Variance Log
- More efficient checking process using system tools
- Empowered employees to enter pay code edits in system
- Established process to approve time cards earlier

## Results

| Metric                   | Pre Workshop                                 | Post Workshop             |
|--------------------------|--|---------------------------|
| Number of Checking Steps | 5<br><i>(Averaged over 4 sampled units.)</i> | 4                         |
| Number of Hand-Offs      | 4<br><i>(Averaged over sampled units.)</i>   | 1<br>Scheduler to Manager |
| Number of Queues         | 135<br><i>(Averaged over sampled units.)</i> | 0<br>No Variance Log      |

This Team was able to accomplish in one week what most committees accomplish in a year. The Team contributed its success to clear communication, supportive teamwork, the Lean structure and a new appreciation of other people’s jobs.