



Workforce Central® Suite

Absence Management Solutions Guide

Take Control of Employee Absenteeism



Total absence management and the Workforce Central[®] suite

Workforce Attendance™ and Workforce Leave™ are key components of Kronos' total absence management solution. By integrating this solution with our applications for human resources, payroll, scheduling, and time and labor, you obtain the industry's most complete workforce management system: the Workforce Central suite.

With total absence management, all employee-related information — attendance, leave balances, employee skills, certifications, and more — are maintained in a single database. And because all Workforce Central applications are web-based and centralized, they are easy to implement, maintain, and integrate with other business systems.

With total absence management and the Workforce Central suite, you will know that absence-related data and actual time and attendance are always in sync. And you can achieve optimal staffing with complete visibility into your available resources.

Minimize the Impact of Absenteeism with Kronos



Fifteen percent of your payroll goes to people who aren't even there. That figure reflects only the direct costs of paying absent workers, including benefits payout, salary continuation, and insurance premiums. The indirect costs of absenteeism can double or even triple that amount, and include overtime, temporary labor expenses, and lost sales attributable to lost productivity.

That's what makes absenteeism a serious concern. Most organizations are unaware of what it is costing them in revenue and profitability. And rarely do they have the means to find out.

It's difficult for managers to understand the scope of the problem because they lack visibility. Employee absence takes many forms — illness, vacation, short-term and long-term disability, worker's compensation, FMLA, and even tardiness. In most cases, employee absence data has multiple owners and is managed through multiple databases, paper-based files, and isolated processes.

Not so with Kronos' total absence management solution. We provide a single comprehensive view into all forms of absence so you can control absenteeism and its costs. With our solution, your managers have the tools to manage complex leave policies. They know who's out, for how long and why, and how much it is costing the organization.

Kronos can help you reduce those expenses, and at the same time help you maintain productivity and improve employee morale.

Understanding Employee Absence Leads to Better Decisions

Every employee absence presents a burden and has costs associated with it. For example, scheduled absences, which are granted in advance as paid time off, allow managers time to plan and prepare. But if paid time off is not calculated accurately or recorded properly, employees may take more time off than they are entitled to.

Unscheduled absences, on the other hand, don't allow managers to be proactive. Employees calling in sick make it difficult for managers to effectively deploy the workforce in order to meet business needs, which can have a profoundly negative effect on productivity, profit margins, and employee morale.

Partial-shift absences — employees arriving late, leaving early, or taking longer breaks — are no less problematic. Employees who are not present when they are supposed to be disrupt production lines, patient care, and

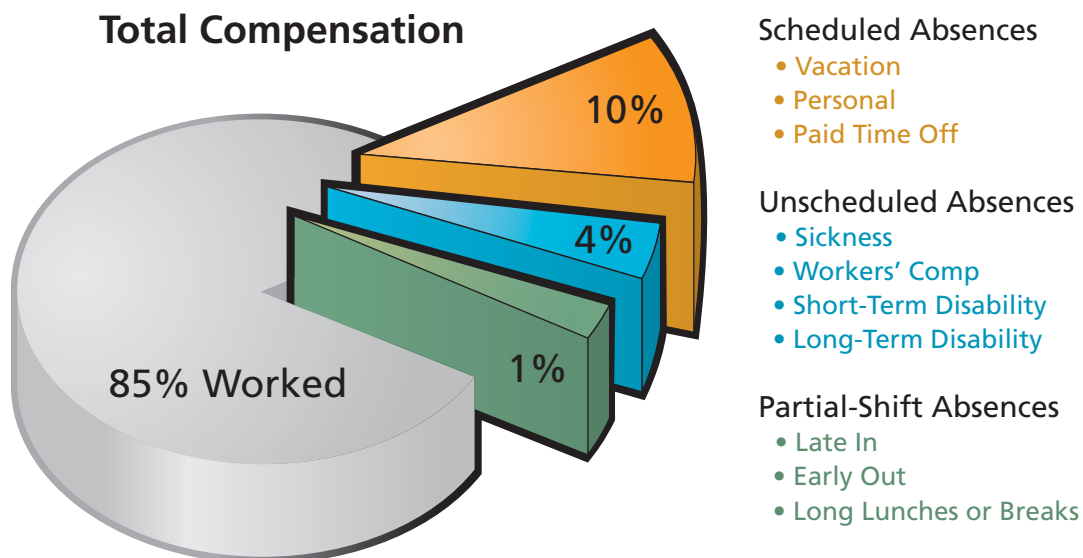
customer satisfaction. Like scheduled and unscheduled absences, it is another form of absenteeism that organizations recognize but struggle to control.

Until now. Kronos provides a total absence management solution that enables your organization to address this growing problem. Kronos can give you visibility into absence trends and patterns, as well as the tools to manage these manual processes and take effective disciplinary action. We free your time and centralize all of your absence-related data.

And with complete visibility into that data, you can make better decisions regarding policy enforcement, workforce deployment, and overall performance. You can balance the needs of your employees and your business, all at the same time, and receive key benefits.

The Cold Hard Costs of Absenteeism

It's true that there are administrative costs involved in reporting absences, revising schedules, reviewing benefit and entitlement policies, and replacing missing employees with temporary labor or overtime. But worse is how disruptive these things can be to your business, negatively affecting quality of service, productivity, and even profitability.



Stay informed and in control

Kronos' total absence management solution makes it easy to identify absence trends and patterns of abuse over time. It gives you the information you need, at a glance, to stop employees from taking leave for which they're not eligible, thus preventing unauthorized absences and controlling leave liability. It also provides on-demand reports as a physical record to support planning, scheduling, budgeting, and performance reviews.

Because it is highly configurable, our solution lets you manage your own leave rules, along with overlapping policies, and apply them consistently with less time, effort, and expense. Kronos can even handle highly complex leave policies. For example, when different locations have unique policies based on local laws, or when different policies apply to certain groups of employees based on union rules or government mandates.

Reduce administrative and payroll costs

By eliminating paperwork and manual processes, Kronos helps you manage your workforce more efficiently. More important, our total absence management solution can help you turn employee absence into a controllable expense.

For example, consistently enforcing attendance and leave policies is critical to controlling costs. By automating your policies, Kronos enables you to reduce the payroll inflation that occurs when employees take long lunches, arrive late, or leave early — time when employees are unproductive but still being paid. On average, this can cost companies .72 percent of payroll — much more for larger organizations.¹

Also, because Kronos provides the right mechanisms, you can do a much better job of controlling unauthorized time off. By way of enforcing your rules, employees cannot take more time off than is allowed. This is significant, as just one extra day off a year per employee can equal as much as .5 percent of your payroll.²

Reduce the risks of noncompliance

Noncompliance with federal regulations like FMLA can lead to serious liabilities, and complex labor agreements can add to the tangle of rules that must be adhered to. And

then there are the labor laws and minor work rules that often differ from state to state. It all adds up to an administrative nightmare with penalties too severe to ignore.

Kronos can help you streamline the many time-consuming and error-prone processes of compliance. Even overlapping regulations, such as FMLA and state leave laws, can be handled more easily. Our solution can track intermittent leave down to minutes and automatically reduce FMLA balances as necessary.

But most important, Kronos' solution stores all the data on multiple forms of leave in a centralized database with a single, enterprise-wide view. As a result, Workforce Central makes it easy for you to access, organize, and analyze the information you need, when you need it, for audit and reporting purposes.

Engage employees and improve morale

All of Kronos' solutions are designed to empower employees and managers with innovative and efficient self-service functionality. But self-service is more than just a technological perk. It's also a powerful tool that places accountability and responsibility in your employees' hands.

For example, our total absence management solution allows employees to easily and securely check sick-time and vacation balances and request time off or leaves of absence, all online or from convenient data collection terminals. Giving employees more control and visibility encourages them to plan their leave more effectively.

Supervisors, in turn, can use self-service to respond to requests and manage other administrative tasks. For example, automating time-off requests reduces the manager's time associated with the process by 25 percent³ — time no doubt better spent on more strategic initiatives.

But most important, by helping managers apply policies consistently, you can provide employees with a greater sense of fairness. This alleviates their fears regarding everything from payroll inaccuracies to favoritism. That's important because these kinds of improvements in employee satisfaction often translate into increased productivity.

¹ Nucleus Research ROI Evaluation Report, Kronos Workforce Timekeeper, 2003. Sponsored by Kronos.

² Nucleus Research ROI Evaluation Report, Kronos Workforce Timekeeper, 2003. Sponsored by Kronos.

³ Nucleus Research ROI Evaluation Report, Kronos 4500 Touch ID Terminal, 2005. Sponsored by Kronos.

Workforce Attendance™

Apply and enforce your attendance policies with the utmost efficiency

Workforce Attendance is a powerful, web-based application and a component of Kronos' total absence management solution. With Workforce Attendance, you can reduce the direct and indirect costs of unscheduled absences by applying and enforcing attendance policies consistently throughout your organization. Plus Workforce Attendance alleviates the burden of administering these complex rules manually.

Because it is tightly integrated with Kronos' time and labor applications, Workforce Attendance enables you to leverage real-time employee absence data in your efforts to control labor costs. Through its flexible building-block approach, Workforce Attendance interprets multiple layers of rules in order to achieve consistent policy enforcement.

Automate the administration of your attendance policies

Workforce Attendance automates the entire attendance policy process, from tracking and enforcement to administering disciplinary actions and rewards. As a result, you spend less time tracking attendance exceptions and interpreting policies.

You can easily configure your policies according to attendance events, actions, time periods, and more, and update them quickly as labor agreements and other factors change. This dynamic and flexible system is essential for organizations that have multiple policies in place, or in which labor agreements change frequently. Workforce Attendance allows you to update policies quickly and easily for these kinds of multifaceted environments.

Make better decisions when replacing absent employees

In a recent survey,⁴ 61 percent of employees claim that their work does not get done when they are absent. One likely reason is the high cost of completing that work through overtime or contract labor. Another is the challenge associated with providing proper coverage.

To maintain optimal business operation, finding the best replacements for absent employees means knowing what skills and certifications are needed, what resources are at hand, and what the cost structure is. It's not an easy task when managers lack the necessary visibility.

Through its single centralized view, the Workforce Central suite allows you to access all this information instantly when scheduling shifts. It's easy to replace an absent employee with another who is qualified to cover a specialized job or shift, and do so at the lowest possible cost. You can reduce the use of overtime and other costly replacement strategies, in turn improving your bottom line, quality of service, and even employee morale.

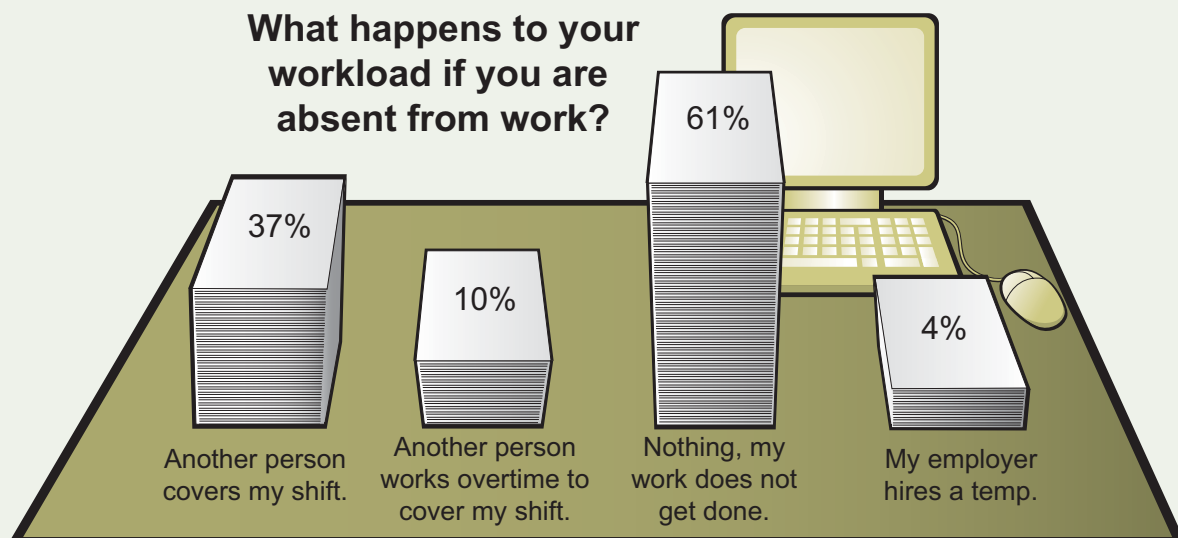
Get visibility into attendance and be proactive

Workforce Attendance provides you with complete, real-time visibility into who's in, who's out, and how the work gets done. It gives you actionable information right at your desktop. In fact, you can manage employees by exception and set automated alerts that notify you when certain disciplinary levels are reached, allowing you to take action in the most timely and effective fashion.

An audit trail documents your organization's attendance details and absence patterns, while on-demand reporting makes it easy for you to identify absence trends and manage them proactively. Most important, these reports reflect accurate data captured in real time and at the source. This is information you can trust in your decision making.

Some of the key Workforce Attendance features include:

- **Automatic alerts and triggers** — Notifies managers when an employee's absence record meets disciplinary criteria that you define, and then triggers the appropriate action. You can also track exception events that trigger an action when reward levels are reached.
- **Flexible tracking periods** — You can configure the attendance tracking periods to accommodate rolling or calendar tracking periods, as well as progressive discipline or step policies.
- **Attendance calendar** — User-defined calendar views make it easy to identify absence trends and patterns of abuse over time. This saves you time and provides more accurate data to support performance reviews and attendance-related discipline.
- **Attendance summary** — Indicates an employee's attendance status and reflects actions that have been taken. You can also drill down and access detailed attendance information from the employee's record.



Workforce Leave™

Manage all types of leave, all in one place

Workforce Leave allows you to track all types of leave automatically. It synchronizes absence-related data with schedules and timecards and updates them in real time. It enforces leave balances, limits unauthorized usage, and helps keep you in compliance.

With Workforce Leave, managers can be assured that they have access to accurate, up-to-date information, and employees can be confident that their balances, time-off requests, and on-leave compensation are being managed accurately.

But Workforce Leave does more than just automate the processes surrounding leave requests, tracking, and management. It also optimizes the entire leave management process, from eligibility to entitlement to on-leave compensation. It provides visibility into trends and patterns that can point to and help reduce the abuse of leave benefits.

Monitor compliance and eligibility more effectively

To help you maintain compliance with federal, state, and union mandates, Workforce Leave assists with the accurate administration and tracking of paid and unpaid leave policies. With FMLA in particular, there are a host of administrative tasks required to ensure compliance, and Workforce Leave helps you handle them with ease.

For example, Workforce Leave checks for FMLA eligibility automatically, based on an employee's hours worked and hire date. At the same time it determines

eligibility for state leave policies, which can have different rules that overlap FMLA. Similarly, labor agreements may grant workers additional family and medical-related leave that must be accounted for and managed in addition to FMLA.

Workforce Leave also tracks concurrent and intermittent leaves, generates all necessary forms and documents, manages due dates, and issues reminders when key milestones are approaching — all of which support your compliance efforts while saving you significant time and money.

Employee self-scheduling helps you control absenteeism

When scheduled employees don't show up, it has a profoundly negative effect on customer service, productivity, and morale. The problem is exacerbated, however, when able-bodied employees who are unhappy with or unable to fulfill a shift assignment call in sick.

One of the best ways to control "able-bodied" absenteeism is to make certain employees are fully committed to their schedules. Through its intuitive self-scheduling tools, Kronos' Workforce Central suite allows employees to build their own schedules and submit them for management approval. Employees can also swap shifts in order to better accommodate last-minute work/life conflicts.

Make better decisions when planning for leave

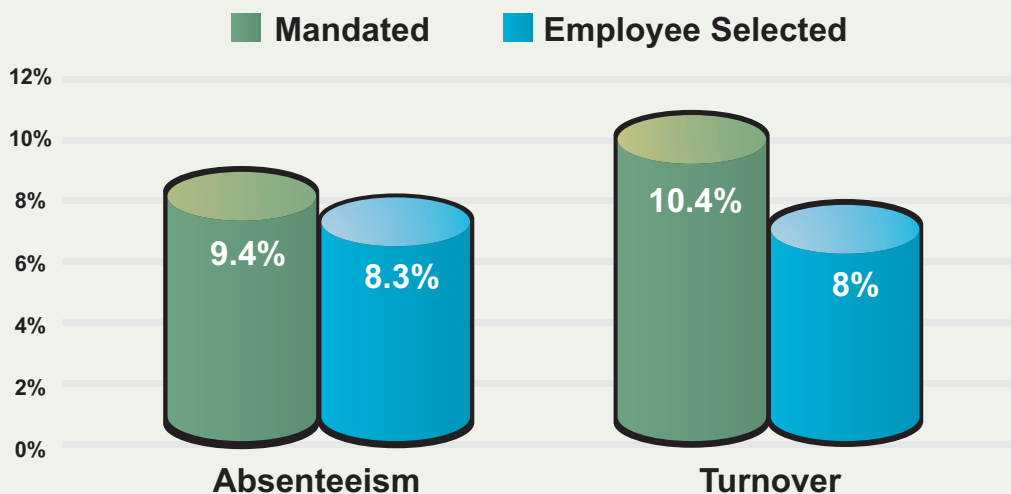
When it comes to employees taking time off, Workforce Leave can help you do it all. You can manage intermittent leave as well as multiple leave benefits that must be managed concurrently. You can identify absence trends and manage them proactively, and access a summary of outstanding leave cases.

Because Workforce Leave is tightly integrated with Kronos' time and labor and scheduling systems, you have complete visibility into employee absences. You can make better decisions regarding workforce planning and deployment. Workforce Leave helps to ensure that you won't be left either understaffed or overstaffed.

Some additional features of Workforce Leave include:

- **Eligibility entitlement** — Flexible rules confirm eligibility by checking hours worked and number of active days to qualify for FMLA, state, and local leave rules, providing a measure of decision support for managers.
- **Automatic alerts** — Push automatic alerts and notifications to supervisors based on user-defined queries, document due dates, and leave requests.
- **Document management** — Create customized forms and response letters that can be automatically routed through your approval process, including alerts and due-date reminders to assist with compliance mandates.
- **On-demand reporting** — Generate reports that you can use to analyze employee leave abuse patterns and absence trends.
- **Self-service** — Through online self-service, employees can access real-time balances and submit time-off requests. Managers can respond to those requests and manage other administrative tasks, all from a centralized repository of absence-related data.

The Power of Employee Self-Scheduling



Source: Circadian Technologies, Inc., ShiftWork Practices 2005 Study.

The Most Trusted Name in Workforce Management

As the most trusted name in workforce management, Kronos has built a solid reputation for solving real-world business problems. Our customers choose us because our solutions work, delivering bottom-line benefits and a healthy return on investment. As a result, more than 20 million employees use a Kronos solution every day.

Our proven service approach is backed by the industry's most extensive services portfolio and a world-class services organization. And unlike our competitors we have the breadth of resources it takes to support aggressive deadlines and large-scale initiatives.

Kronos is committed to helping you achieve on-time and on-budget implementations, maximum uptime, and widespread user adoption, all of which are critical to your success. We deliver on our promises, and our near-perfect customer satisfaction rating says it all.

When you choose Kronos you are choosing a comprehensive, best-in-class workforce management system. All of our solutions are designed for users by users, and their value is demonstrated by the success of thousands of customers worldwide.



To begin exploring the benefits of our solutions in your organization,
contact a Kronos representative at (800) 225-1561.

Visit us online at www.kronos.com.



Improving the Performance of People and Business™

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