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Headline News

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Return On Employee Investment

Your Sage Abra HRMS System Can Be More Than An HR Department Productivity Tool

The effectiveness of human resource management software is usually judged by how much more efficient the HR worker becomes and how the software helps the HR department accomplish daily tasks. In this article, we take a look at another measure of HR system effectiveness—the return on employee investment. We will show how an effective HR system can help you find and retain talented employees and ensure that employees achieve their maximum potential.

Investing In Employees

A company is only as good as its employees. An organization does not generate ideas or give service, it is the people within the organization who make those things happen. Organizations can pay competitive wages and offer good benefits to attract talented workers. However, too often little attention is paid to assisting the individual to perform to his or her potential. A significant portion of the value of your Sage Abra software lies in how it helps your organization find and retain talented employees. From recruiting to training and orientation, from motivating and developing talent to supporting managers in creating an engaged workforce—the effectiveness of employee management has a direct impact on your business results. You can consider the cost of a human resource management system, such as Sage Abra HRMS, as an investment in your valuable employee resource.



Engaging Your Employees

Disengaged employees are estimated to cost the U.S. economy as much as \$350 billion per year in lost productivity, accidents, theft, and turnover. Engaged employees have a high level of commitment and involvement in the organization and its values. Organizations that can establish trust between the workforce and management, and among coworkers, create an engaged workforce and the benefits that go along with it. Investing in employee engagement increases workforce retention and thus decreases employee turnover costs.

Employee Replacement Costs

Employee turnover is a very large and often underestimated cost for employers. There have been a number of studies that estimate the cost of replacing an employee. These studies show

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that the average cost of replacing an employee is between 30 and 50 percent of the annual salary of entry-level employees, 159 percent of mid-level employees, and up to 400 percent for specialized, high-level employees.

Increasing Employee Retention

While some turnover is unavoidable and sometimes even desirable, reducing turnover among your top performers is worth the investment. Studies show that the most common reasons for leaving include: lack of respect, poor communication, pay that is below market, lack of training and recognition, excessive workload, lack of tools and resources, and lack of teamwork. Employees will be motivated to stay at a company when they feel comfortable, respected, fairly compensated, and where they see possibilities for growth and personal development. Here are some areas an employer can invest in to reduce employee turnover rate.

Information

HR or employee analytics can help management decide where to invest, identify the top performers, determine what employees need to best perform, and what they value. Analytics also provide a consistent way to monitor the results of any measure taken.

Communication

Poor communication causes frustration and misdirected energy. HR departments can greatly enhance company communication by publishing company values, vision mission, and important announcements. Sage Abra self-service portals can be used to distribute information to employees to help them feel valued and in the know.

Employee Recognition

Employee recognition programs can motivate workers and increase their level of

engagement. Sage Abra can help managers know when goals have been met that merit recognition. And self-service technology can help the HR team communicate employees' successes to coworkers.

Training

Good training programs can help employees acquire the skills needed for new projects and challenges, or even a promotion opportunity within the company. Management training also can increase employee retention. Train great managers and your company can enjoy better employee engagement and lower turnover. Sage Abra can help the HR team plan employee training goals and programs, as well as track critical certifications and skill sets.

Compensation and Benefits

Without an adequate and competitive package of compensation and benefits, it is difficult for any company to hire or retain top talent. Here we list a range of benefits for you to consider:

- » Holidays, vacation, and sick leave compensation
- » Flexible working hours
- » Retirement plans
- » Life insurance
- » Medical and dental insurance
- » Tuition reimbursement
- » Discounted insurance, savings clubs, employee loan programs

Sage Abra can help you determine the most popular benefits programs by tracking what is most selected by employees during open enrollment. It also can generate reports about the cost trends of your benefits programs based on current and historical data.

Reducing Sick Leave

Sick leave is a popular benefit for all employees. However, missed work time and

increased insurance costs are expensive for an organization. Whether higher than average use of sick leave is health-related or due to a pattern of abuse, a company can actively reduce absenteeism. Sage Abra provides information about absences to managers, making it easier to identify and address possible patterns of abuse. Company-sponsored employee wellness programs can promote better health.

Managing Talent

Talent management refers to the process of developing and retaining current workers and attracting highly skilled new workers to a company. Skilled workers only become top performers when their goals are aligned with business objectives and their energy is directed at the right targets. Talent management starts with a performance appraisal tool or process such as is available for Sage Abra HRMS. Businesses that use performance appraisal and management software show a reduction of low performers, while the percentage of high performers in the company increases.

The Whole Picture

Investing in employees reduces employee turnover, sick leave, and healthcare costs. Investments in training, talent management, communication, wellness programs, and technology all have a positive effect on workforce performance and productivity.

Through employee self-service, training, development, and compensation and benefits management, Sage Abra and integrated tools can help keep employees engaged and satisfied. These systems also deliver the analytics needed to help managers and executives examine trends, support business decisions, and plan for future organizational changes. Please call us with your questions.

Tips And Tricks

Adding Direct Deposit For An Employee

This tip assumes you have already configured Direct Deposit and are adding a new employee or employees.

1. From the Activity Center, select Payroll, Details, and Direct Deposits.
 2. Select the appropriate employee.
 3. Click Add.
 4. Enter the Bank Routing number.
 5. Enter the Bank Account number.
 6. Enter the Amount to be deposited. (If the employee is having the entire check deposited, then enter all 9s; if partial deposit, enter the amount to be deposited.)
- Note:** If there are multiple entries then the final sequence must be all 9s, or any remaining amount will be issued as a check.
7. Mark the appropriate account type.
 8. Select prenotification for the test.
 9. Process a payroll. Employees will still receive a check. Notify the bank that you are sending a test ACH file. To create an ACH file, go to process, payroll, create ACH.

When you are ready to have employees on direct deposit instead of prenotification, go to Payroll, Details, Direct Deposit, select employee, detail direct deposit, and change radio button from *prenotification* to *deposit*. If you are doing this for many employees at once, you can use Mass Update Pre-notifications, as described in the next tip.

When processing a payroll, follow the regular steps but also Print Direct Deposits and then Create an ACH file. Send the ACH file to the bank.

Mass Update Of Direct Deposit Pre-notifications

Note: Before performing any mass update, back up your data.

1. From the Activity Center, select Payroll, Processes, and Mass Update.
2. Update File: Employee Direct Deposit Institution.
3. Update Field: Transaction Type (P/D) - (Prenote Deposit).
4. Records to Update: ddi.payissue= "P" and ddi.company= "ZZZ" and ddi.paygroup= "111" (where "ZZZ" is the company code and "111" is a specific paygroup ID).
5. New Value: D
6. Click OK to begin the mass update.

Enabling Users To Change Their Own Passwords

If you would like Sage Abra users to be able to enter and change their own passwords, complete the following:

For every Security Group that you would like the users to be able to enter and change their own passwords, you must assign the group access to:

- » Employer = N/A
- » Product = System
- » Activity = Rule
- » Task = Change Password
- » Step = Change Password

Once this is established, set the password to blank for each user. Have the users log on with the blank password, and then from the Activity Center, select System Rules, and User Security to establish their new password.

Multiple Workers' Compensation Codes


If you need to have more than one Workers' Compensation Code applied to an employee, it can be accomplished by setting up a Secondary Job.

1. Create a Secondary Job on the Payroll, Details, Current Job screen for each additional job the employee works. Assign the desired Workers' Compensation code to each Secondary Job.
2. In the Enter/Update Time Sheet Process, enter one line for the Main Job, then enter additional earnings, changing the Job Code and Workers' Compensation code columns to specify the desired codes for the hours.

Creating A Garnishment Or Levy

1. From the Activity Center, select Payroll, Rules, and Deduction Codes.
2. Set up a garnishment deduction code. The Deduction Type should be *Creditor Garnishment* and the Calculation Rule should be *Earnings x Percent*.
3. Define the Earnings subject to the Deduction under the Earnings Basis Tab.
4. Add the Deduction Code to the employee's Deduction Panel.

Note: If you assign a garnishment to an employee, Payroll automatically calculates the garnishment according to the employee's disposable income. Disposable income is calculated according to the Earnings you select for the garnishment in the Deduction code table. If a garnishment is to be based on something other than disposable income, such as gross-section 125, then it will be necessary to use the deduction type of *Regular Withholding After Taxes*.

Please call us if you need assistance with any of these tips. 

IN THE SPOTLIGHT:

Compliance With USERRA

The Uniformed Services Employment and Reemployment Rights Act (USERRA) is a federal law that has been in place since 1994. For persons who serve or have served in the Armed Forces, USERRA ensures that they are:

- » Not disadvantaged in their civilian careers because of their service.
- » Promptly reemployed in their civilian jobs upon their return from duty.
- » Not discriminated against in employment based on past, present, or future military service.

In this article we provide an overview of USERRA compliance requirements.

USERRA Qualifiers Must Be Tracked Over A Long Period

The USERRA provides that qualifying employees can return to their job as long as two years after leaving military service, allowing them time to recover from the impact of the service on their lives. If they do return to their former job, seniority, pay increases, and benefit updates that were provided to other employees during their absence must be provided to them just as if they had never left. Because the return to work can be several years into the future, good record keeping is essential in these cases.

Expanded Definition Of Who Is Covered By USERRA

In 2006 the definition of who is covered under USERRA was expanded to include National Disaster Federal Services personnel, ROTC, Reservists, and the National Guard.

For the purposes of this act, the definition of an employee is very broad, and includes part-time, seasonal, and probationary employees, and in some cases even independent contractors.

When deciding to join a service covered by the USERRA, an employee need only verbally inform the employer they are joining the service. No written notification is necessary. Also, because they can not waive their rights to come back, you must continue to track them until they have actually taken another position after returning.

Your Sage Abra system can help you track of all the details of the employee's position as well as all the benefits and pay increases provided to other employees in their absence. Auditors are being hired to visit employers to ensure they are in compliance with USERRA record-keeping requirements.

Tie To FMLA

The national defense spending bill of 2006 covers next of kin who would have been eligible for the Family Medical Leave Act (FMLA) to take care of injured service people. An additional 12 weeks is allowed for a qualifying exigency, and does not affect their own FMLA eligibility.

Obligation To Post USERRA Rights

The Veterans Benefits Improvement Act of 2004 requires employers to provide notice of the rights, benefits, and obligations of employees and employers under USERRA. To assist employers in complying with this

requirement, the U.S. Department of Labor developed a USERRA informational poster to be posted at workplaces. The poster is available at: http://www.dol.gov/vets/programs/userra/USERRA_Federal.pdf.

Please call us with your questions.

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