



Payroll Systems Migrations Lead to Errors and Anger

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At the union offices of Santa Rosa Memorial Hospital in California, Peter Brackner, a registered nurse and union president, helps members with payroll check errors. The errors include incorrect wages, missing hours, unpaid bonuses and shift differentials.

The problems began in early July for Santa Rosa after Providence Health & Services in Renton, Wash., which operates 52 hospitals, migrated to a new payroll system. Providence is replacing multiple HR, payroll, finance, supply chain and other ERP functions with an Oracle cloud ERP system. It's unclear how many Providence hospitals are having problems with the migration. An Oregon-based employee of Providence recently filed a lawsuit that seeks class-action status over the payroll system issues.

"We had nurses that didn't get a paycheck at all," said Brackner, president of the Staff Nurses Association at Santa Rosa Memorial Hospital. He said a ticketing system is closing tickets before fixing issues.

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Problems after ERP migrations are common, and the proof of it is illustrated by Sacramento, Calif.-based Sutter Health, which operates 23 hospitals. Sutter is moving to Workday from Lawson's HR and payroll system but continues to use Lawson for other ERP functions. Infor owns Lawson.

According to Ingrid Ragoobar, RN in the universal care unit at Sutter Eden Medical Center in Castro Valley, Calif., "there is no defined timeline on these payroll errors being fully resolved, and Sutter still has not fully corrected the errors that have already occurred," she said in an email.

Any updates Sutter has provided "are vague" and "don't include any timelines for when the problems will be fixed," Ragoobar said. "They don't have any clear explanation why this happened or how to fix it." The problems also surfaced in July.

About 15% of payroll implementation projects fail, and 44% are "challenged," meaning they run into problems, said Jim Johnson, chairman at The Standish Group, a consulting and

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research firm in Boston that studies project implementations. The problem is usually the result of data quality issues, he said.

According to research by Johnson, large software projects costing more than \$10 million face a failure rate as high as 41%. But payroll systems implementations usually do better because they are "straightforward applications," and the people implementing payroll systems have "a little more empathy and are a little more careful" because it directly affects their co-workers, he said.

In a statement, Providence said that the "vast majority of paychecks that have been issued are correct. ... However, there are some that have shown incorrect or partial pay. In most cases, this is due to routine issues, such as timecard correction forms submitted after the deadline or no time submitted on a timecard."

Brackner disagrees with the hospital's statement.

"That is not true at all," Brackner said, and many healthcare workers are trying to get their pay fixed. He said he took umbrage over the hospital's contention that employees submitted incorrect information. "It made us really angry when we read that."

For its part, Sutter said in a statement that the payroll transition is a "significant technical upgrade" that "is complex and has resulted in some payroll-related disruptions."

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"We are making every effort to resolve outstanding compensation and payroll issues." Sutter added that the "vast majority" of employees received their paychecks as expected.