avola DECISION

Case

Leading European Construction Group leverages Avola Decision to dramatically improve salary calculation process

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Introduction

As an international construction company you're tied to different collective labour agreements (CLA's). When at the end the month workers need to be paid, you want to make sure this process runs smoothly and everyone gets paid what they are entitled to. Discover how Avola Decision has helped our customer maintain and interpret all the specifications of various CLA's, save 14 FTEs in just 6 months after implementation and improve employee satisfaction by dramatically reducing errors in the salary payment process.

Maintain and interpret different CLA's for correct salary calculation

A CLA is supplementary to the individual employment contract and stipulates agreements and arrangements on wages and other employment conditions. Being active in the construction industry our customer is tied to many different CLA's. For instance carpenters, painters, metal workers and construction workers all have their own CLA. Also employees work in different shifts day and night, with various compensation rates and rewards.

When the workers register their monthly hours, our customer needs to match these registered hours with the corresponding CLA of the employee and calculate the compensation the employee is entitled to. This sounds pretty straightforward, but in reality this process was prone to many errors and lacked transparency.

Frequent miscalculations

The biggest hurdle to ensure a smooth process was that the company didn't have one central system to maintain and automatically interpret all the different CLAs. Therefore they couldn't guarantee the applied rules were up to date. Instead our customer used several systems which all interpreted the CLA's differently. This led to frequent miscalculations which then needed to be tracked down and fixed manually by an HR employee in a Microsoft Excel spreadsheet. This was extremely time consuming and moreover the process also caused a lot of frustration with workers who were regularly confronted with a pay check that didn't match their expectations.
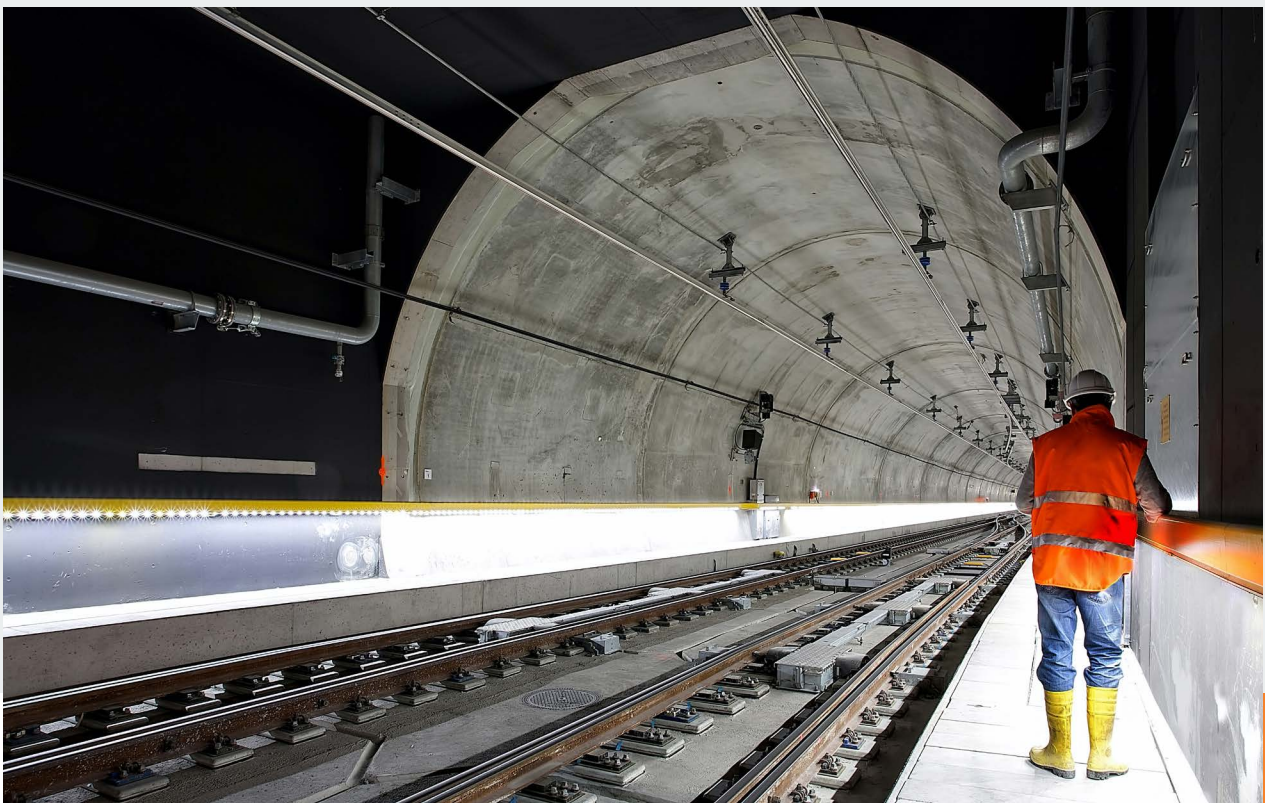
Apply decision management to salary calculations

The best way to solve our customers issues was to start with the creation of one central system for hour registration. To accomplish this we used the Mendix low-code platform. The next step was to integrate a system that could maintain and interpret every CLA. Our customer chose Avola Decision to integrate and apply decision management to their salary calculation process. The Avola platform helps to map out the logic and rules that are used for making decisions. The specifications from each CLA were converted to business rules. Thereafter all the business rules were assembled in decision models which were automated through Avola Decision.
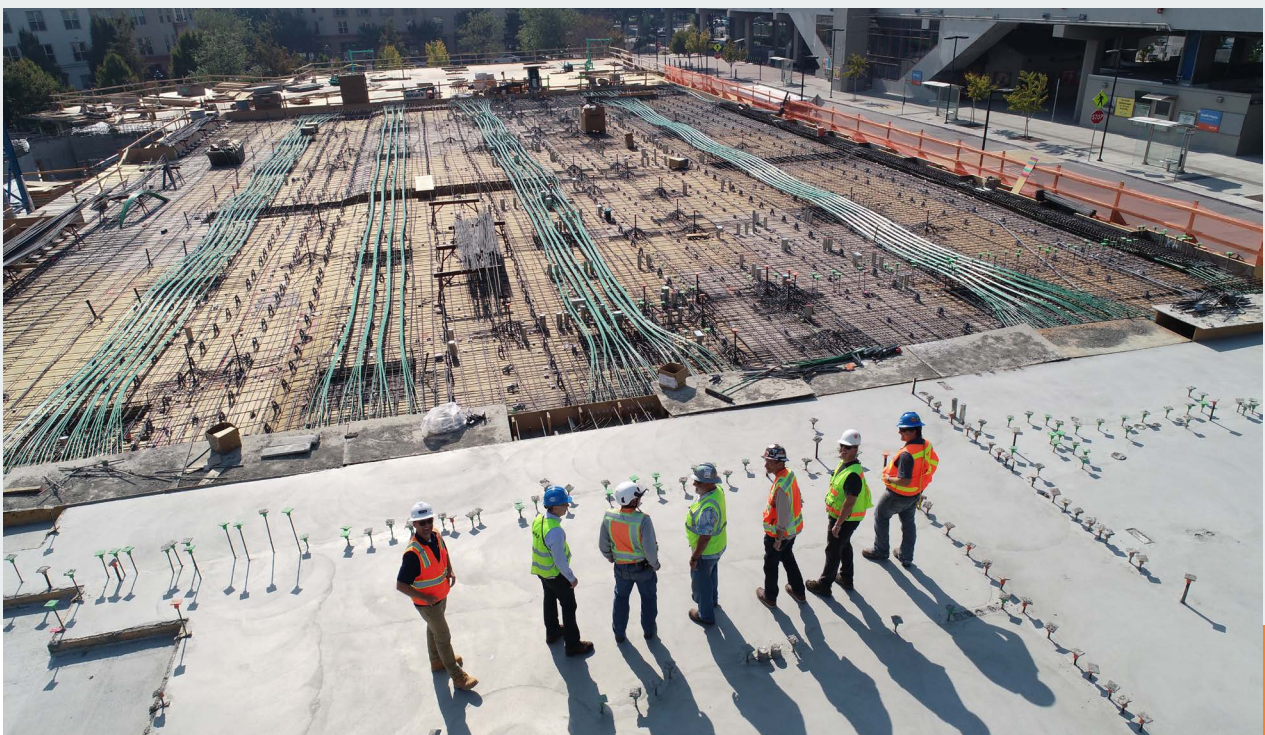
Fully automatic salary calculations

If a worker registers his or her working hours the system will automatically apply the right CLA. The salary calculations are made fully automatic without any human interference. If there is a question about a calculation the HR employee can easily access the system and check the logic of the calculation as these are all logged. This way it's fully transparent why the system came up with this specific amount.

Versioning and governance

As CLA's are subject to regular changes, the system needed to be easily adaptable and manageable. Our customer should be able to add another CLA or to adapt existing ones. Specifically for these tasks, Avola Decision offers versioning and governance functionality. This way people can build different versions of a decision model. This enables the construction company to run both the old and new version of each CLA, allowing them to predict and simulate how a change in a CLA would affect the company's bottom line.

Reduction of 14 FTEs in HR, more transparency and improved employee satisfaction

Now the interpretation of every CLA is automated, HR employees are no longer burdened with the manual task of fixing mistakes in salary calculations. By leveraging decision models with Avola, our customer was able to reduce their HR department with 14 FTEs within 6 months after the implementation. If workers do have questions about their pay check, HR employees can now easily login to the system and provide them with an answer.

Flexible and future proof

With Avola Decision our customer is fully in control of its work time allocation. HR employees have the ability and knowledge to adapt each CLA in the central system. They can also create an additional one if needed,

for instance in case of an acquisition. This flexibility makes the system future proof. And when there are negotiations around CLA's our customer can use Avola Decision to simulate how specific scenarios would affect their revenue. This way the system also contributes to strategic decisions.

The HR department of the construction company now only rarely gets confronted with frustrated workers that received an incorrect paycheck. The importance of this shouldn't be underestimated as the war on talent makes it hard to attract and retain employees. Making sure people get what they are entitled to, is an important basic that has helped improve employee satisfaction.
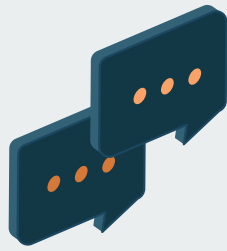
> " Avola Decision has exceeded our expectations. We're thrilled to see that decision management hasn't only contributed to improving our salary calculations and employee satisfaction, but also can support strategic decisions that impact our bottom line. "
>
> *Enterprise Architect at the construction company*

Want to know more about this case?

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