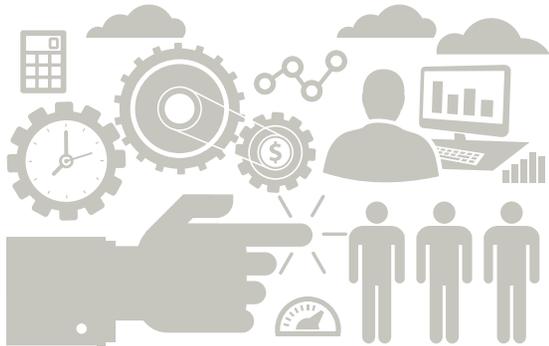**Time and Attendance**

Top Six Benefits of Installing a Time and Attendance Solution

Overview Are you used to manual time tracking even though it's time-consuming? Are your employees' hours logged accurately to meet payroll? Automating your time and attendance system makes quite a difference in reducing errors and controlling costs.
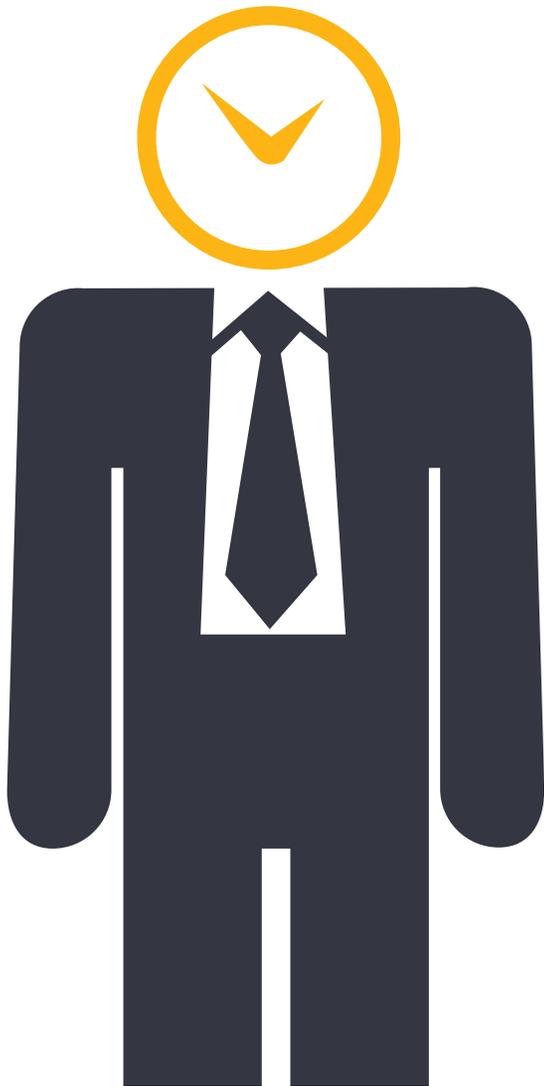
Top Six Benefits of Installing a Time and Attendance Solution

Table of Contents

Introduction

Your organization's workforce is likely your largest expense. It's also the driving force behind production and profitability.

If your workforce isn't logging accurate hours, you may find yourself dealing with pitfalls including costly regulatory compliance missteps. With that in mind, maintaining accurate and reliable time and attendance information is critical to your business success.

An automated time and attendance system for your organization can help prevent – and even eliminate – inaccurate and unreliable timekeeping.

The benefits of time and attendance automation are easy to highlight – such as saving time and saving money on your bottom line. However, if the data captured from employees isn't accurate or reliable, or if it's not passed on properly through the HR and payroll process, errors are likely to occur.

These problems could be solved by using the right automated time and attendance system.

Six ways a time and attendance system can improve your organization

Accuracy

Increased productivity

Bottom-line savings

Decreased burden on one person/department

Stronger company culture

Better regulatory compliance

Automated vs. Manual Timekeeping

Automated
Employees record time in and out over a secure Web browser

Accurate time and attendance data provides insight into your true labor costs

Manual
Unclear handwriting on timesheets can result in inaccurate recording

Hours reported after the fact increase your exposure to inaccuracies and time theft

One: Accuracy

Improving information accuracy and reliability are two of the primary reasons why organizations install a time and attendance system. Yet, many of them still rely on manual systems to track the number of hours their employees work.

Manual timekeeping systems often require that your employees report hours worked after the fact – recording time in and out for workdays that already have passed. This increases your organization's exposure to inaccurate time tracking.

With a manual system, your business is also susceptible to other forms of inaccuracies, such as:

- Illegible handwriting on timesheets. Determining what hours were worked in order to run payroll becomes more difficult. Unclear handwriting on timesheets often results in inaccurate recording and processing of time/wages. That requires payroll corrections after a pay period has ended.

- Abuses in documenting hours. A manual timekeeping process relies on the honor system, which unfortunately can be exploited by unscrupulous employees.

Capturing employee time by using an electronic system throughout a pay period – instead of at the end of a pay period – can drastically reduce data inaccuracies and opportunities for time theft.

Electronic data collection includes employees recording their time in or out over a secure Web browser, from an electronic or biometric time clock or even on a mobile device. The data is then transferred to your time and attendance system in real time.

Most automated systems alert supervisors to early or late in/out punches as they happen. Alerts like these can provide you the opportunity to address workforce attendance issues early, before they become larger problems.

Without accurate time and attendance data, your organization has little insight into your true labor costs. Understanding the health of your business by understanding your income and expense numbers is vital to your business success.

Two: Increased productivity

When it's time to run payroll, a manual process requires you to collect timecards and re-enter the data into your payroll solution. This process is tedious and laborious.

Manually tracking time and processing payroll can take hours with each pay period. Even if just one person is responsible for running payroll, the amount of time per pay period adds up to a lot of wasted hours, plus the direct expense of that person's pay.

Using an automated system to run payroll can drastically increase productivity. Those hours used for manual time tracking can be allocated elsewhere to increase productivity, and you save the direct wage cost as well. Moreover, automating your time collection in an electronic format allows that data to be automatically transferred to your payroll solution for processing.

This eliminates the need for manual re-entry of data. The result is accurate payroll processing that can take as little as 20 minutes per pay period.

Reducing the time it takes to run payroll while increasing the accuracy of your data through automation means your organization can boost both productivity and cost savings.

VS.

How automation saves money

Automating your time and attendance helps reduce:

• Human error in payroll processing

• Overtime costs

Three: Bottom-line savings

An automated time and attendance system provides both direct and indirect investment returns. And it can pay for itself relatively quickly, often in the first year of ownership.

Automating your time and attendance process can result in ongoing cost savings, such as reducing human error in payroll processing, eliminating time theft and overtime costs, and saving wages through increased productivity. There are also indirect cost savings, such as retention of your top talent, because you have better insight about who is working when and for how long.

You can also use your system's information to more appropriately and proportionately allocate labor across your workforce.

For example, if you have an employee who is constantly working overtime, that may be your cue to investigate whether a temporary surge of additional work warrants the overtime. Or, is that person using the workweek wisely to complete projects?

Perhaps there is an opportunity to reallocate a project across multiple employees to distribute the workload more efficiently. Either way, your time and attendance system can provide insight to help you make effective business decisions that affect your bottom line.

Four: Decreased burden on a person or department

In a manual process, workforce management means keeping massive amounts of paper employment and timesheet data files on each of your employees. Maintaining paper records is time-consuming and inefficient when employment information is required to correct payment errors.

When one person or department manages employee files, it creates a bottleneck when access to necessary information needs to be securely shared across the organization.

Employee self-service functionality, a part of time and attendance and HR solutions, allows employees to actively participate in the upkeep of their own information. This reduces bottlenecks in processes, relieves the burden of responsibility and does away with the collection of paper timecards. Employees enter their time worked as it occurs. Plus, with the ability to track accruals, such as earned PTO, employees can access their PTO balance online wherever and whenever it's convenient for them.

With automated scheduling, you can:
- Have the right staff working for the day
- Balance employee skill sets across shifts
- Reward employees for good attendance

Five: Stronger company culture

Employees are empowered when they have access to their own information. Shared control between you and your employees makes for a better relationship, and that can have a positive effect on your company's culture.

This is especially important when you consider that a positive company culture is a major contributor to retaining top talent.

When your supervisors and management have better insight into your workforce through automated time and attendance, they can make timely decisions that have significant impact on the financial and cultural health of your organization.

Managing schedules, for instance, is a crucial area that affects the company's bottom line and employee satisfaction. With an automated time and attendance system that can also manage scheduling, you can ensure that you have the right staff working for the day. You are better able to balance employee skill sets across shifts – from morning to evening to overnight – and keep employees happy while making your job much easier.

The improved visibility you get through automation also means that managers can make realistic schedules that track and assess employee performance as well as predict future performance and costs. Armed with that information, managers feel less pressure to pad staff levels to cover shifts in case of sudden workload changes.

Also, your ability to electronically track your employees' punch times allows you to reward employees for good attendance, which may be in the form of additional time off or any reward you decide is appropriate. By highlighting the behavior you want to encourage, you can set appropriate expectations of your staff.

Finally, automated time and attendance allows employees to be proactive in their own work/life balance by selecting desired shifts or swapping shifts with co-workers. Depending on the flexibility of your business, options like these help increase job satisfaction and reduce turnover.

Six: Better regulatory compliance

While a time and attendance system doesn't guarantee your compliance with employment laws, the data collected can help. It provides the required information to help you prove your compliance should you need to.

Should the Department of Labor request an audit of your organization, consistency in your timekeeping and the ability to quickly pull reports can be your best tools.

The benefits of integration

Now consider the advantages of integrating key elements of your time and attendance, human resources and payroll systems.

By electronically and automatically transferring your data from timekeeping through payroll, you increase process efficiency, data accuracy and cost savings - beyond the benefits of adding an automated time and attendance system alone.

Workforce management integration adds efficiency by securely sharing data across your organization without manually re-entering data and risking exposure to errors. Moreover, integrating your workforce management with an automated software system reduces the chance of human error.

Want more resources to guide you?

Keeping up with the latest in business trends and best practices can be challenging. Insperity can help.

From in-depth guides to interactive infographics, we provide a variety of complimentary online resources that are chock-full of useful and timely content for business leaders like you. Explore the latest news and proven advice on a wide array of business and HR topics, including business performance, benefits and compensation, leadership and management, and legal compliance that help keep you in tune with new ideas and best practices.

ebooks
Browse our online library of comprehensive guides to gain insight from our seasoned business and HR professionals on issues giving you the most trouble.

Blog
With new posts going up each week, you'll never miss a beat when you're up to speed on the latest HR industry topics. While you're there, be sure to sign up for our newsletter.

Checklists
Checking off boxes as you go can feel cathartic, but are you checking from the right list? Our checklists will help you feel confident you're following best practices.

Infographics
Visual learners can rejoice — we've got you covered, too. Our infographics allow you to visualize business trends and statistics in understandable charts and graphics.

Case studies
Need some evidence that our HR strategies really work? Our case studies showcase them in action.

Visit **insperity.com/resources**

ⓘ About Insperity

Insperity®, a trusted advisor to America's best businesses since 1986, provides an array of human resources and business solutions designed to help improve business performance. Insperity® business performance advisors offer the most comprehensive suite of products and services available in the marketplace. Insperity delivers administrative relief, better benefits, reduced liabilities and a systematic way to improve productivity through its premier Workforce Optimization® solution. Additional company offerings include Human Capital Solutions, Payroll Services, Time and Attendance, Performance Management, Organizational Planning, Recruiting Services, Employment Screening, Financial Solutions, Expense Management, Retirement Services and Insurance Services. Insperity business performance solutions support more than 100,000 businesses with over 2 million employees. With 2014 revenues of $2.4 billion, Insperity operates in 57 offices throughout the United States. For more information, visit **insperity.com**.

Email this guide
Click here to pass along a copy of this guide to others.

Visit our blog
Sign up for our free newsletter.
insperity.com/blog.

To learn more, call 800-465-3800 or visit insperity.com