

# Sage HRMS

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## Punching in for Improved Workforce Management: The Top Seven Benefits of an Automated Time and Attendance System



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## Introduction

Increasing information accuracy and reliability are the two paramount reasons a time and attendance system is installed in any organization. Because an organization's workforce is often its largest expense, impacting production and profitability, inaccurate timekeeping can lead to costly regulatory compliance missteps, among other pitfalls.

On the other hand, it should be noted that employees also represent an organization's biggest asset with regard to growth and profitability. Thus, maintaining accurate and reliable time and attendance information makes labor management a whole lot more manageable.

At surface level, the immediate time-saving, as well as bottom-line saving, benefits of time and attendance automation are easy to highlight. However, without accurate and reliable time data captured from employees and passed to other parts of the human resources and payroll system, error-prone breakdowns are likely to occur. These can result in employees' not being paid properly, noncompliance, decreased employee morale, and turnover.

An appropriate time and attendance system that meets your organization's needs can help to eliminate and even prevent many, if not most, of the negative aspects of inaccurate and unreliable timekeeping.

The following will outline the top benefits of a time and attendance system and the positive effect they can have on your organization.

## Reliable Accuracy

A manual timekeeping system requires employees to report their hours worked per pay period after the fact. Unfortunately, recording employees' time in and out for each work day after it has been worked increases your organization's exposure to the likelihood of inaccurate time tracking.

Manual processes can lead to a number of additional issues.

For example, illegible handwriting on timesheets makes it difficult to determine hours actually worked to run payroll. This results in inaccurate time/wages' being recorded and processed and necessary payroll corrections required after a pay period has ended. Also, a manual process that relies heavily on the honor system can be abused, and inaccurate hours documented by employees can result in time theft.

There are a number of ways to reduce data inaccuracies and opportunities for time theft. Electronic data can be collected by employees' punching in or out over a secure web browser, from an electronic or biometric time clock, or even through a mobile device. The data collected is then transferred to the time and attendance system in real-time.

Most systems allow supervisors to be alerted to early or late in/out punches as they happen. Alerts like these can afford an employer the opportunity to address workforce attendance issues early, before they become larger problems.

An appropriate time and attendance system that meets your organization's needs can help to eliminate and even prevent many, if not most, of the negative aspects of inaccurate and unreliable timekeeping.

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

## Increased Productivity

When it's time to run payroll at the end of a pay period, if you're using a manual process, the collection of time cards, reentry of data into your payroll solution, and time necessary to process payroll for the entire organization can be tedious and laborious.

It is not uncommon for organizations with a manual timekeeping and payroll process to spend upward of five hours or more running payroll at the end of each pay period.

Even if it's the responsibility of one person, five hours per pay period adds up to a lot of productivity hours with a direct expense (the person's hourly pay). The point is, the amount of time it takes to utilize time and attendance data to run payroll can be drastically reduced to a matter of minutes with an automated time and attendance system. Saved productivity hours and the related personnel wages can be reallocated elsewhere once you eliminate some of the manual processes.

Automating the collection of time through data collection devices ensures time records are in an electronic format. This allows the transfer of that data to be automatically sent to your payroll solution for payroll processing.

Automated time registration and collecting reduces or can eliminate the need for any manual reentry of timekeeping data into a payroll system when the two are integrated. 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 also increasing the data accuracy by automating the transfer of timekeeping information can lead to increases in both productivity and cost savings.

## Bottom-Line Savings

An automated time and attendance system can provide both direct and indirect investment returns. An investment in a time and attendance system can prove invaluable and provide a return for itself relatively quickly, often in the first year of ownership.

Automating your time and attendance process results in ongoing cost savings, such as a reduction in human-generated payroll errors, elimination of time theft and overtime costs, as well as saved wages from increased productivity.

There are also indirect cost savings related to workforce management. A time and attendance system can give you better insight into your employees' work, the time spent on their work, and the return on investment of their work. This information allows you to more appropriately and proportionately allocate labor across your workforce.

For example, if you have an employee constantly claiming overtime, you may decide to have a time

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management discussion with that person to determine whether he's using his work week wisely to complete his projects or just temporarily experiencing a surge of additional work warranting the overtime. Perhaps the answer to this question will present an opportunity to reallocate a project across multiple employees and redistribute the workload more efficiently. Either way, your time and attendance system can offer the insight you need to help you make effective business decisions that impact the bottom line.

## Decreased Burden on One Person or Department

With a manual process, human resource management means keeping massive amounts of paper-based employment and timesheet data files on each of your employees. Maintaining these types of records can be both time consuming and inefficient and becomes especially cumbersome when key employment information is requested by managers or payroll personnel. The HR person managing the files of all of the active and nonactive employees in the organization becomes a bottleneck to other departments' access to information that should be able to be securely shared across the organization.

Employee self-service (ESS) functionality is now a standard feature of most time and attendance and HR solutions, and ESS not only allows employees access to their own timekeeping and employment data but also encourages them to actively participate in the upkeep of this information, reducing bottlenecks in processes and empowering employees to take ownership of their data. No more is the HR or payroll department running around to collect paper time cards at the end of a pay period. Employees are entering their own time worked as they work it. Plus, with the ability to track accruals, like earned PTO, employees can access their PTO balances anytime, anywhere using the Internet.

## Stronger Company Culture

Employees are empowered when they have access to their own information through technology like employee self-service. That empowerment is a level of shared control between the employer and employee and makes for a better relationship with a positive affect a company's culture. The benefits of engaged employees are numerous. Engaged employees are enthusiastic, contribute ideas, are optimistic about the company and its future, are rarely absent from work, typically stay with the organization longer, and are ambassadors for the organization.

Plus, a highly valued company culture is a major contributor to attracting and retaining top talent.

## Improved Regulatory Compliance

While a time and attendance system is not likely to ever guarantee employment law compliance, the data collected and available through your system can help ensure you have the required information to comply with labor regulations regarding proof of attendance.

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There are compliance rules and regulations at the federal level and quite a few more that vary from state to state throughout the U.S. Consistency in your timekeeping and the ability to quickly pull reports and review punch-by-punch employee time tracking data from your time and attendance system can be your best tools should the Department of Labor ever request an audit of your organization.

## Integration Amplifies All Benefits

There are inherent advantages to bringing together key elements of time and attendance, human resources, and payroll systems.

By electronically and automatically transferring employment, time, and wage data per employee through technology solutions for each step in the punch-to-paycheck process (from timekeeping through payroll and employees' receiving their paychecks), you increase process efficiency, data accuracy, and cost savings exponentially beyond the benefits of just an automated time and attendance system alone.

Workforce management integration adds efficiency by easily and securely sharing data from one part of the organization to other parts without manual reentry of data and the associated errors that can result.

By integrating all parts of your workforce management with automated software technology, you reduce the number of times humans have to interact with the data and avoid the potential risk of human error.

## Conclusion

The benefits of a time and attendance system are numerous. Managing your workforce and processing payroll accurately and quickly begins with reliable data. In addition to helping you reduce overtime and payroll costs and get control over your labor costs, automated time registration and collection reduces errors and improves efficiency. Time and attendance systems are also invaluable for ensuring compliance with labor regulations regarding proof of attendance. A time and attendance system that meets your organization's needs and integrates with your HR and payroll systems can lead to a strong return on employee investment and a positive effect on overall business results.

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## About Sage HRMS

An industry-leading, customizable HRMS solution, Sage HRMS helps companies optimize their HR business processes as well as maximize their Return On Employee Investment (ROEI)<sup>™</sup>. Developed by HR professionals for HR professionals, Sage HRMS delivers a tightly integrated set of comprehensive features and functionality that increases efficiency and improves productivity at every level in the organization.

With Sage HRMS, you can successfully meet and respond to the HR management challenges you face every day in the areas of payroll, benefits, employee self-service, time and attendance, recruiting, training, workforce analytics, and more. By automating and streamlining your day-to-day HR business processes using Sage HRMS, you and your staff are freed up to spend more time and energy on the business asset that is most vital to your company—your employees.

A global \$2.2 billion software company with over 30 years of experience and 6.3 million customers, Sage has provided HRMS solutions longer than any other company in North America. By choosing Sage, you not only get productivity-boosting HR and payroll software solutions, you get the support of an award-winning customer service team and access to many other business tools and resources that make your work life easier.

To learn more, please call us at 800-424-9392, or visit our website at: [www.SageHRMS.com](http://www.SageHRMS.com)

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