

The Practical Guide to Time and Attendance Management





Introduction

Tracking time and attendance is a basic but crucial workplace function. People need to show up for work. From the single-person hair salon to a 10,000 employee utility company, time and attendance is mandatory for an organization to function at its most basic level.

While it seems basic, tracking time and attendance goes beyond recording when employees come in and leave. Inefficient time and attendance management can spiral into numerous workforce management problems such as labor law violations, inaccurate pay, and disengaged employees.

Time and attendance tracking systems are designed to keep timesheets and payroll records accurate. However, not all systems are created equal. Companies need to identify what their specific timekeeping and workforce management needs are. They need to look closely at crucial factors such as the nature of their business, number of sites and employees they have, and labor laws and regulations that apply to them.

This ebook will help you navigate the different vital areas of time and attendance — from creating policies, addressing common issues, and choosing the most effective technology for your business.

TIMESHEET

4 Nov - 10 Nov

STATUS

2:00 pm
Approved

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Clear

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x

TOTAL TIME

24hrs, 35mins

TOTAL BREAKS

1hr, 30mins

TOTAL COST

\$201.83

The Practical Guide to Time and Attendance Management



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Chapter 1:

Creating effective time and attendance policies

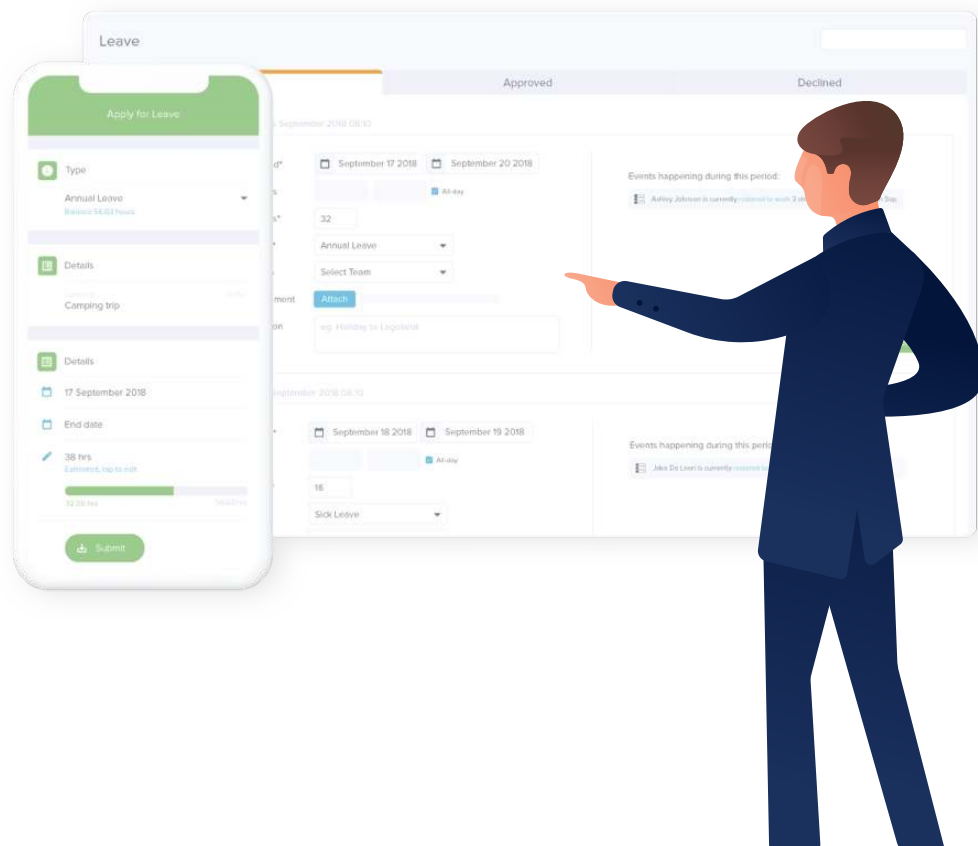
The first thing employers need to do is to set clear and specific time and attendance policies. While this seems elementary, it's crucial to spell out the rules and guidelines for effective enforcement.

You need to clearly and concisely address your time and attendance policies. Ensure your team knows why you are implementing the policies and what is expected of them.

The first thing to do is consult with your employment law attorney regarding local, state and federal time and attendance and overtime regulations. Your attorney can work with you to develop clear, consistent policies regarding clocking in and out procedures, break periods and cell phone and social media use while clocked in. Also, consider labor rules that have implications over flexible or remote work too. It's crucial that employees fully understand their work-related responsibilities and know what they should be doing when there are lulls in the workday.

Generally, a time and attendance policy should include ground rules for the following areas:

- Business hours
- Tardiness and absenteeism
- Break times
- Time off and unavailability
- Disciplinary methods and procedures





Immediately incorporate these policies into your employee handbook. All hourly and salaried employees must review and sign a document stating they have read and understand the policies in the handbook. Also, post reminder signs in high-traffic areas and send alerts through your communication channels so employees can see them. Follow through on the procedures and enforce them accordingly.

Another equally important aspect is constantly reviewing time and attendance rules and regulations and making changes when necessary. Businesses evolve and their policies on time and attendance tracking and workforce management in general should keep pace. It's advisable to review your time and attendance regulations every year to ensure that they remain aligned with your operations and business needs.





Chapter 2:

Uncovering time and attendance problems

Several problems can affect how you track time and attendance and ultimately, your entire workforce management process. It's vital for employers to identify them and nip them in the bud before they result in bigger issues. Here are some of the common time and attendance issues:

Time theft

Employee time theft is what happens when an employee gets paid for time they didn't work. While employee time theft is not the physical removal of a business owner's property, it nonetheless escalates labor costs and robs a company of financial resources. Here are some of the ways employees steal time:



- **Falsifying time cards.**

Falsification of a time card occurs when an employee provides inaccurate data about their working hours or causes others to provide misleading information. This typically occurs with manual timekeeping systems or tracking employee hours with a time clock.

- **Buddy punching.**

An employee clocking in or out for a coworker constitutes buddy punching.

- **Unauthorized or extended breaks.**

Employees deserve their breaks. They are required by law. But there is room for abuse. A lunch break constantly extends an extra 15 minutes, or cigarette breaks also become a longer break for a trip to the coffee house.

- **Constant use of smartphones.**

Using phones on the clock is inevitable but when it happens consistently, it can be considered time theft. A [report](#) found that 62 percent of people surveyed spent at least an hour of the workday looking at their phones.

- **Personal activity on company time.**

You may experience employees who tend to their personal business while on the clock. Examples include running errands while on shift, excessive socializing with coworkers, or even taking naps outside of their break times.



Inefficient time and attendance tracking

Unreliable ways of tracking time and attendance are not just difficult for monitoring, but are also prone to error and unnecessary costs.



- **Using a punch card.**

Punch cards are an old-school way of tracking time and attendance, where employees stick a card into a reader and clock in and clock out times are marked on their card. With punch cards, you can run into the issue of buddy punching. Another problem with the punch card system is your inability to monitor or view updates online; you can't check on your teams or different store locations remotely. Instead, managers are left in the dark about employee attendance, who's about to reach overtime, and how employee wages are impacting the bottom line.

- **Using key cards.**

The upside of using key or badge cards is speeding up the clock in and out process. Cards are swiped quickly, so employee lines are limited.

- **Badges are easily forgotten or misplaced.**

The result in needing to clock in manually or using a temporary badge. Clocking in manually and managing temporary badges defeats the efficiency of having a key card system.

- **Tracking employee attendance in spreadsheets.**

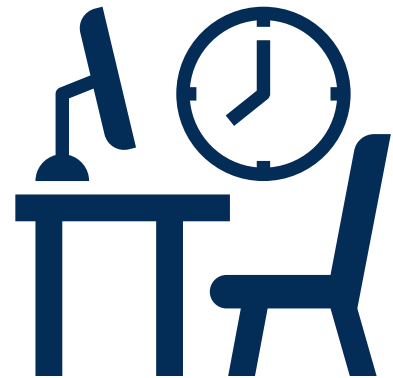
A free solution to track employee time is with a timesheet. If you keep it digital, you can use digital spreadsheets that easily calculate everything for you. If you go the hard copy route, you can print physical timesheets for employees to use.

But how do you monitor your employees' time or get an overview of schedules? How do you ensure no one is accruing overtime? A major risk with tracking employee attendance manually is the lack of control and oversight in your day-to-day business. Not to mention the room you leave for time theft or losing track of accurate records. Manual time tracking systems don't allow managers to accurately oversee overtime or streamline their payroll processes. Processing payroll becomes incredibly time consuming and inefficient; managers must manually tally attendance data, leaving room for costly errors. Accuracy matters because companies may pay the price for poorly managed payroll practices, and inaccurate recordkeeping can mean hefty fines or IRS penalties.



Mismanaged overtime

One of the main problems with labor tracking and monitoring is that it's difficult to accurately track or monitor overtime, said Albert Rizzo, adjunct assistant professor at the NYU School of Professional Studies within its Human Capital Management Program.



Rizzo added that HR needs to make sure the overtime policy is not just a few lines in the employee handbook but something that's actionable. Best practices here depend on the size of the company.

For a midsize company with many employees, for example, one common mistake is that HR is given the responsibility to track labor, Rizzo said. But it's actually more efficient and accurate if lower level managers were given the task of tracking this.

“Rather than put the burden on one department like HR or one HR manager to track, the best practice would be to get the person closest to the employees typically incurring the overtime and have that person manage it,” he said.

Timesheet rounding

Timesheet rounding is a common business practice that is perfectly legal, and it can help simplify the payroll process. However, it has potential pitfalls for employers that could lead to costly lawsuits.



Timesheet rounding only works when it's done equitably for employers and employees. The Fair Labor Standards Act states that employers may round time if it averages out so that employees are fully compensated for the time they actually work. Employers should be aware that timekeeping regulations vary from state to state. Employers also must ensure that their system is “free from bias” and that employees are paid for all time worked, which can be a tough sell in front of a labor law judge for companies using a paper-based system.



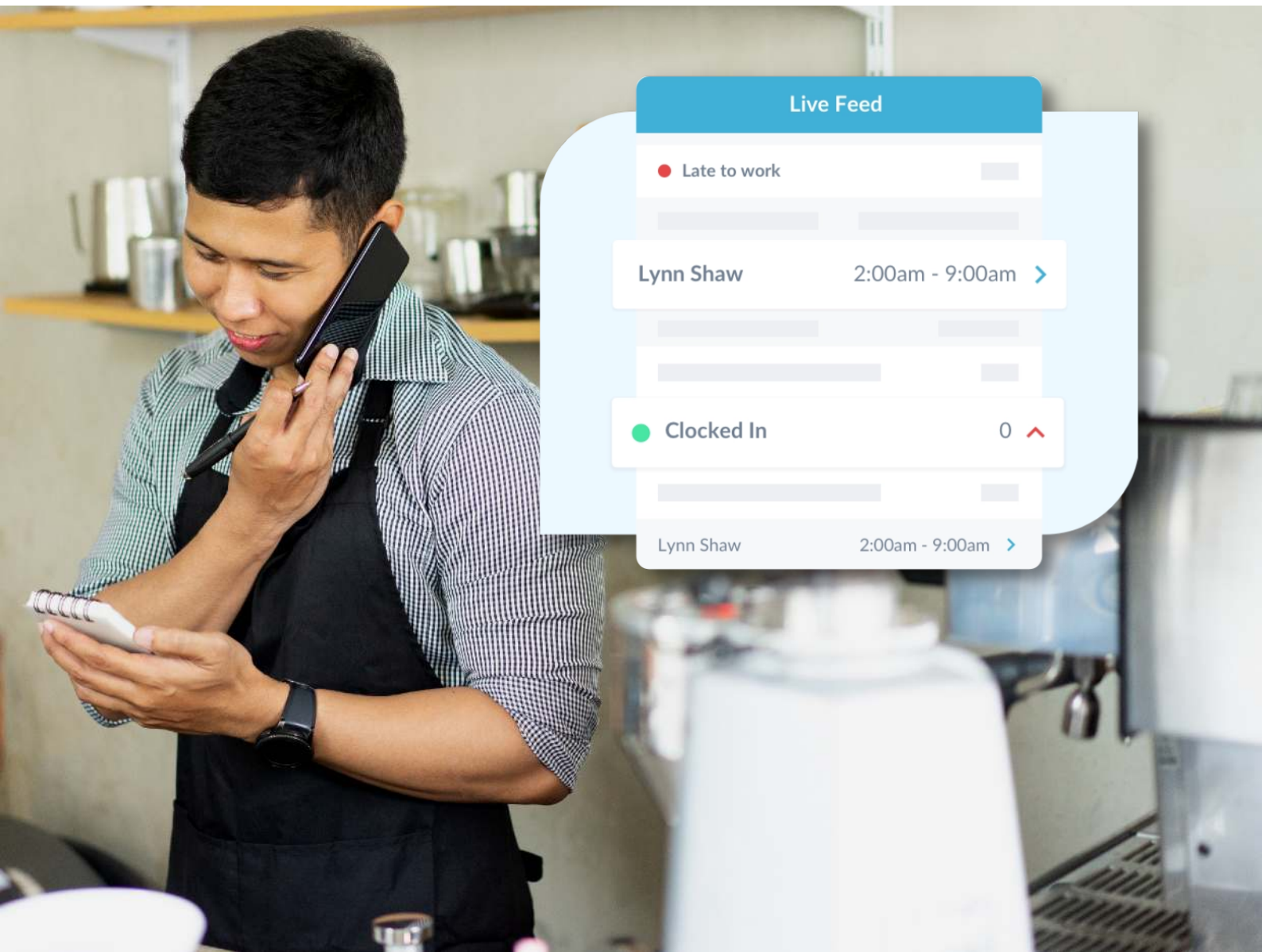
Payroll issues

Poor time and attendance processes can easily trickle down to payroll and result in issues. Manual processes when processing timesheets and payroll are prone to error, ripe for miscalculation, lack security, and create the potential for a noncompliance lawsuit.



Organizations running payroll by hand should check constantly for tax rate updates. Missing one update will cause mistakes in withholdings and using incorrect totals that can result in penalties.

Technology can help address the issues surrounding time and attendance tracking. With an automated time and attendance solution, companies can avoid the risk of errors, noncompliance, and unnecessary costs.





Chapter 3:

The value of time and attendance systems

Time and attendance management is about more than just punching a clock. It's about saving managers' time, keeping accurate records, and monitoring employee hours.

Using time and attendance software allows you to streamline your processes and record time with the best possible accuracy, so you keep your business running in accordance with local and state laws while maximizing profits.

Benefits to using time and attendance systems:



Record accurate clock ins and timesheets

Avoid the risk of buddy punching with electronic photo verification. This solution involves unique passcodes and photo verification for each clock in and clock out, so managers can see the right person clocked in for the right shift.



Monitor unauthorized breaks and clock-out times

Taking unscheduled breaks or working beyond the allotted time is a costly practice that impacts more than profits. It has a negative effect on team members.

When an employee takes a longer or unscheduled break, the rest of their team has to pick up the slack, take their breaks later, or worse: miss out on a break altogether to ensure appropriate coverage.

Using time and attendance software allows you to manage costs and protect your team's morale by making sure employees are clocking in and out when scheduled.



Ensure location accuracy with GPS

Another form of time theft is when employees are not where they say they are when they're clocked in.

An example is when you have employees on the road or at a remote work site. With GPS tracking, you're able to see that they're in the right location when they clock in and out.



Avoid unnecessary overtime costs

An efficient time and attendance tracking system notifies managers when employees are about to incur overtime and whether those excess hours are necessary.



View real-time employee attendance

Absenteeism not only impacts the customer experience, it affects your bottom line. Absences happen and are a part of every business, but they can be monitored and prevented.

Managing the attendance of employees across locations can be a challenge. No manager wants to be left in the dark or find out there is a staffing issue after the fact.

Seeing employee attendance in real time gives you a sense of ease. Rather than worrying about how things are going, a good system has an app that allows you to take a quick peek on your mobile device and rest assured your teams are performing across locations.



Understand employee productivity and demand

With the ebb and flow of customer demand, it's important to make sure staffing matches the tides.

The problem is, most managers are not sure how to determine the optimal amount of staffing. You may be tempted to follow your instinct and base schedules on when you expect busy periods. But why leave so much up to chance?

Make sound decisions based on real-time data with time and attendance software. Go for a time and attendance solution that provides a productivity ratio per employee, so managers know how many sales each employee can handle in specified time slots. Managers can see at a glance the recommended staff count by the day and hour without the guesswork.





Chapter 4:

Finding the best time and attendance solution for your team

If you want to get the most value from a time and attendance system, you need to think bigger than just compliance, said Lisa Disselkamp, director of HR transformation for Deloitte Consulting. “Time and attendance shouldn’t be treated as a back-office function,” she said. “It should be positioned as a driver of business outcomes.”

If companies want to get the most out of these tools and processes, they should align scheduling and attendance strategies with business goals that have measurable outcomes such as improved productivity, increased employee engagement, better customer satisfaction or reduction of operating costs. “When you focus on what you are trying to accomplish as a business, it reframes the conversation,” she said.

Regardless of your business goals, it’s important to do your due diligence before implementing any time and attendance system. That means making sure you understand your pain points, what you want to accomplish and how you are going to measure the impact of a new system. And recognize that it is going to require a change in the way you operate, Disselkamp said. “It will feel disruptive at first, but in the long term it will add a lot of benefit.”

Here’s how you can go about the process of finding the ideal time and attendance system for your organization.

Planning



Organize the data.

Gather all of your historical data on scheduling as well as documentation on attendance rules, payroll guidelines, union agreements and any other documents that influence time and attendance.



Review your process.

Take a look at your time and attendance policies, how you build employee schedules, manage leaves, and track overtime and see areas that you want to improve.

Look at the regulations.

One of the biggest goals for time and attendance programs is to achieve and prove compliance. It's important to know what rules and regulations you need to follow and the systems that need to be integrated in order to do so. It's essential that all parts of workforce management such as time and attendance, scheduling, and payroll are seamlessly integrated to ensure compliance.

Find the hidden roadblocks.

Do an audit of every aspect of your time and attendance process, with a focus on "home grown" solutions that individuals create as workarounds.

For example, the manager who does all scheduling on paper, then enters the data later into the system, or allows shift changes without documenting them. "If those hidden systems remain, it will impact your outcomes," she said.

Set a baseline.

Measure the time spent doing time and attendance today, including the costs associated with fixing errors, moving data from one system to another and compliance-related penalties. Use these as benchmarks to prove the effectiveness of the new system.

Set expectations.

Figure out how time and attendance aligns with the business strategy, then establish key performance indicators — i.e. improved productivity, reduced turnover, and lower operating costs. "When you know the outcome you want to achieve, you can plan back from that," Disselkamp said.



Take time to review time and attendance solutions

● Assemble a short list of vendors.

Focus on core functionality: mobile functions, customizable by users and integrates with your broader HR management system.

● Involve managers in the review process.

If they are the ones who will use the tool, they have to like how it works.

● Review reporting tools.

The best solutions will give you real-time insight and alerts related to key performance indicators, like increased overtime, or too many hours for part-time workers.

● Make vendors prove themselves.

Don't let the system drive the process, Disselkamp said. "Tell your vendors the outcomes you are looking for, then have them show you the features that will help you achieve those results."

● Think about the future.

Choose a vendor and system that can grow with your company and be easily adapted to accommodate new regulations, employees and scheduling strategies. You don't want to be locked into a system that doesn't meet your needs in three years.

● Go for mobile functionality.

Take advantage of mobility features such as an app version of the system to give managers and employees the freedom to check schedules on the fly. "You want a system that can be used where the work happens," Disselkamp said.



Start strong with a good time clock app

Effective time and attendance management begins with accurate capture of clock-in data. An automated time clock app is capable of doing that and can pave the way for efficient time and attendance tracking.

Choose a time clock app that has the following capabilities:

Different verification layers.

Avoid buddy punching and time theft with different verification layers. Having every employee given a unique code for clocking in is a good start. Photo verification of each clock-in makes it more efficient. Having these functionalities in place ensures the integrity of clock-in data.

GPS tracking.

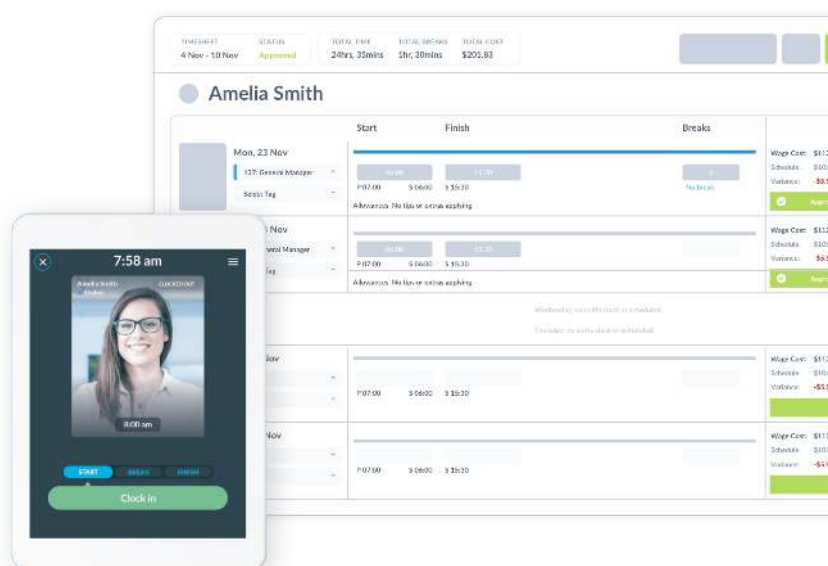
Make sure that your employees are where they need to be. Opt for a time clock system that also captures staff location when they log in for work.

Mobile functionality.

Offer employees the flexibility to clock in via their mobile device. This is especially important when you have teams working remotely or in the field.

Accuracy starts from data input. When it comes to tracking time and attendance, it begins with recording when employees come and go. An efficient time clock app is automated and integrated to the rest of your workforce management system.

Workforce.com Time and Attendance Software





Chapter 5:

Maintaining effective time and attendance management

Implementing a time and attendance management system should be regularly reviewed. Here's how employers can assess if their policies and chosen software for tracking time and attendance still match their business needs.

● **Measure results against key performance indicators.**

Six to 12 months after you implement the system, gather data to review impact. Have you cut overtime? Improved engagement? More effectively aligned schedules to the flow of business? Quantifying the effectiveness of the system will help tie HR investments to strategic business outcomes.

● **Track adoption.**

Make sure managers and the HR team are using the tool effectively, including data analytics features to support real-time decision-making, and ensure rules and regulations are being met. Consider offering additional training or incentives if adoption is low.

● **Communicate results across the business.**

Share impact data with the executive team, managers and frontline workers, and customize your communication to the relevance of your audience, such as financial benefits to your CEO or chief financial officer, or more consistent schedules to employees and managers.

● **Use the data to improve operations and build your brand.**

Using data analytics and reporting, identify trends and positive results of an efficient time and attendance tracking system. If your system has a reporting capability, take advantage of it to identify what's going well as well as areas you need to improve on. Reductions in turnover, improved employee satisfaction, and greater predictability in scheduling are all value-driven outcomes that can help you establish the company as an employer of choice.



- **Do something with the savings.**

Have a plan for how you will use the time or money saved as a result of the new system. Then communicate that plan to the company.

Conclusion:

Effective time and attendance management starts with technology

Tracking time and attendance is at the core of effective workforce management. And workforce management is the lifeblood of any business. The processes might seem elementary, but they are crucial steps that are best automated.

Workforce.com is a smart and innovative workforce management platform. It's automated so you can stop worrying about paperwork, errors, and labor compliance. At the same time, it's a powerful system that can be configured to meet your unique requirements.

Automation means accuracy and ease of use. Workforce.com automates clock ins, timesheets, scheduling, payroll, labor compliance, and workforce analytics so that managers can save time and focus on the business.

Workforce.com is easily integrated with other systems, which means seamless workflows and accurate labor forecasting and reporting. The system is easily configured to work side by side with your systems you use for HR and payroll.

See how Workforce.com can make time and attendance management more efficient for your business. [Book a demo](#) or [start a free trial](#) to see it in action.

