Using Time and Attendance Systems to Improve Productivity

Using Time and Attendance Systems to Stop Time Theft and Improve Productivity

Bouncing back from the pandemic has been challenging for many companies due to a perfect storm of market conditions:

The Great Resignation – the loss of experienced, long-tenure staff to higher-paid positions with competitors or due to changing life goals. Employees' expectations of work have permanently changed, and businesses are struggling to adapt.

Rampant Inflation; wage inflation, raw material inflation and fuel inflation. While the rate is predicted to fall sharply in the second half of the year, it's still putting huge pressure on profit margins for many businesses

Demand, however, is more robust than expected so predicting and managing your services and output to meet customer expectations, more than ever, requires the perfect blend of three components; materials, overheads and labour.

Productivity improves when you get more from your existing resources, or by maintaining output with fewer resources. Reducing resources includes increasing capacity, reducing costs, improving responsiveness, and eliminating wasteful processes.

When applying these principles to one of the core components –human resources, how can technology support improving efficiency and effectiveness and thereby improve productivity?

We believe there are 8 key ways in which using technology to track your team's time and attendance will improve your company's productivity.

01. Accurate Pay for Everyone

Robust time and attendance policies and procedures that can't be circumnavigated are inherently fair. Nothing frustrates employees more than their wages being wrong. Accurate to the second clocking in machines ensure that your team are paid for the work they do and queries and mistakes are virtually eliminated. Removing manual calculation of timesheets and preparation of payroll reports reduces human error and the risk of compliance issues. Anomalies will be automatically identified within the software and mistakes can be checked and rectified prior to payday.

02. The Overt Cost of Time Theft

Labour is likely the largest cost within your business. Time theft by employees includes several different ways that cost your company money.

Buddy Punching: it's difficult to believe in today's society that employees would punch in their friends to work, but it still happens. One of our first biometric customers was a large manufacturing facility. The management had discovered (after a protracted period) that a group of their production operatives were heading to the pub on a Sunday for a session and giving their punch cards to the designated driver to punch them in on Monday morning while the others got over their hangovers. We implemented a biometric fingerprint access control and time and attendance system across the site and it stopped this behaviour overnight. Buddy Punching is time theft in its most blatant form.

02. The Overt Cost of Time Theft (cont.)

Persistent Tardiness: most employees are late occasionally, some are late constantly and when managers stop to assess how much that 10 minutes here, and 20 minutes there equates to over weeks and months, it mounts up.

Manual or paper-based trails are easily manipulated. If you're not tracking time accurately, this persistent lateness will likely go unnoticed, or unreported. If you don't have the evidence to highlight the issue with your employee during their 1-2-1 reviews, then it's difficult to prove a pattern.

Work out how much time 10 minutes late x 3 times per week equates to over a year and multiply by your employees' hourly rate, and that is just one team member.

Biometric time and attendance systems cannot be falsified and any amendments to records are shown in the audit trail. Paying your team for the time they actually worked often quickly leads to self-regulating behaviour. If patterns persists, then you have the evidence to present in HR investigation meetings.

03. The Covert Cost of Time Theft

It's relatively simple to calculate time overpaid if you work out by your employee's hourly rate, but what this doesn't take into account is the consequences of that tardiness or buddy punching.

The opportunity cost of your employee not being in the business and productive is greater than their hourly rate. It can have consequences for production capacity and the ability to hit deadlines for delivery to customers' expectations and within SLAs.

03. The Covert Cost of Time Theft

Our customer, Windows' Warehouse, found that implementing a biometric access control system, started to show patterns of persistent lateness and absenteeism.

"*If there are members of staff that are 5-10 minutes late, over the course of a week or two, obviously our production figures will be significantly lower... Over a course of months it will have an effective on the businss and can really have an impact moving forwards*"

 The second covert cost of time theft, or frequent absenteeism without consequence, is on the rest of your team's morale. Watching another member of your team continually getting away with being late, or taking the odd Friday and Monday off, breeds discontent within your loyal and punctual employees. Employees who show up to work on time, all the time, can be very frustrated that a chronically late employee is increasing their own workload, or compromising safety.

Particularly damaging is when managers are late or take time off without any disciplinary action being taken. This will lead to low overall morale and reduced productivity across your team.

Thirdly, you may think that starting to track your employees' time using biometrics may be met with scepticism or negativity. In fact, employee satisfaction often improves, due to user-friendly hardware and software that saves them time and ensures they are paid correctly and fairly.

Clocking in on a biometric face or fingerprint reader is a more high-tech and better user experience than writing your name on a timesheet or punching a card. You identify ways to cut time in manufacturing processes and be more lean, improving the working experience for your team is logical too.

04. Reducing Administration Burden

Your HR team and managers will thank you when manual checking of timesheets, accrual of holidays, monitoring of holidays, breaks and sickness no longer takes them hours and hours on a weekly and monthly basis. Their time is freed up for qualitative tasks such as development and performance management. Thousands of pounds can be saved through the automatic reporting of:

●   Holiday/ paid leave accrual .

●   Employees have easy access to their schedules.

●   Employees have access to clearly collated figures which means fewer queries or complaints.

●   Reports are automatically run, quickly checked and imported into payroll software (or there may be a native integration).

●   Absence patterns are recorded automatically, with Bradford Factor (or other formula) rules applied and calculated.

●   Automatic overtime calculations.

If you're still collating timesheets manually, ask your HR, accounts department and managers to track how long they spend dealing with employees' hours and queries over the next month and work out how much time you could give back for them to concentrate on more productive development.

05. Data Protection Compliance

Manual reporting, timesheets and payslips are a data breach waiting to happen. Access to personal data should be restricted to appropriate users and records must held in accordance with GDPR. Reducing paperwork lowers the risk of personal data being left lying around or misappropriated. Management roles can be defined so they have access only to the data that they need.

Dual factor authentication or Single Sign On (SSO) gives an additional layer of access control to personnel records.

06. Compliance

It's not only good practice to keep effective time records, it's a legal responsibility to keep a 'written' record of your employees hours and be able to produce these for up to 3 years. If you can't you risk a fine from the Workplace Relations Commission of up to €2,000.

It could also seriously harm your chances of winning if an employee takes you to court and you can't prove their working hours. Recently Irish companies have been fined from €7,500 to over €20,000 when they lost cases for various labour law infringements, in every case, a lack of accurate record keeping is cited as having been detrimental to the defendant's case.

Your employees cannot work more than 48 hours a week on average - normally averaged over 17 weeks, unless they opt out. Under 18s can't work more than 8 hours a day or 40 hours per week. Opting out must be documented, and you must be able to prove your employees' hours. Changing working patterns and the permanent adoption of hybrid working for some functions has made this more complicated post pandemic. Your time and attendance solution should have a mobile app if you have hybrid workers, or employees in the field.

06. Working Time Directive Compliance

Breaks are an important component of the Working Time Directive. Your employees are entitled to a 15-minute break after working up to 4.5 hours, and a 30-minute break after working more than 4.5 hours. You must verify and give evidence that your team is taking these breaks, especially if your employees are using machines. If you are unable to demonstrate compliance with these break times and an accident happens, you may be held accountable.

Aside from the Working Time Directive, Irish health and safety legislation requires you to keep a detailed record of who is on your premises and when they are there. Integrating Time and Attendance (T&A) with access control systems can provide extra benefits for health and safety compliance and crisis management. It is critical to stay knowledgeable and prepared in order to comply with both work time and health and safety standards. Please contact us if you require any further information or help on this. .

07. Automated Scheduling

Getting the right time and attendance tool is important and preparation is vital to ensure your system is configured to meet your business' specific needs and work patterns.

If you have rotating shift patterns, a 24-hour operation or multi-site workers, then you need a more advanced time and attendance software that will accommodate the flexibility of your operation. Plan for shutdowns and holidays in advance and communicate company announcements easily to all employees.

Investing time at the beginning of the project and scoping these work patterns will save you hours of manual timesheet scheduling or software adjustments in the future.

All good time and attendance software providers will support you in the initial set up and commissioning of your software. Training the key users should be included in your quote and should be tailored to their job roles and permissions.

Packages are likely to have hours included, if you're still adjusting timeslots five months down the line because you didn't complete the scoping document fully, then you may find you start to incur additional support costs, which you could have avoided by investing time in the initial phase.

08. Continuous Improvement

Better data and reporting feeds back into a continuous improvement loop. Absenteeism of key members of a manufacturing project can seriously impact progress and prevent other employees from doing their jobs. Monitoring and challenging unauthorised absence from work helps managers to keep schedules on track as attendance improves.

Conclusion:

Implementing biometric time and attendance solutions will deliver both tangible and intangible benefits across multiple departments. You can save money, improve morale and ensure transparency across your business with the ultimate gain being improved productivity throughout your operation.

Almas Industries are European leaders in applied biometric solutions for businesses. Since 2005 we've been advising and supporting businesses with 5 to 50,000 employees how to protect their sites and people with a range of security and people protection solutions.

If you'd like further information, please don't hesitate to contact us on 01 68 333 68 or via email to enquiries@almas-industries.com.