



## Keys to Payroll Time and Attendance Best Practices

If your organization still captures time manually, there is a high probability that your error rate is being negatively impacted. Improving the accuracy of payroll is a key benefit as a result of automating your time and attendance system. PROXUS would like to provide you with proven “best practices” that you should consider if you are thinking about implementing or updating your time and attendance system.

According to a 2009 HR Management article, implementing an automated time and attendance system can save most companies between 2% – 5% of their total payroll costs, gained through improved process efficiencies and staff reductions. These savings come from three key factors: **time theft**; **time spent manually figuring time sheets**; and **human error in calculations**. These systems typically provide one of the fastest returns on investment your company can make in payroll-related software.

PROXUS has formed a relationship with ADVANTEK – a local provider of web-based time and attendance solutions for companies of all sizes and with key functionality for most industries.

The following is a list of some proven best practices for time and attendance systems:

- Use web-enabled time systems to record, calculate and validate time worked.
- Managers should be given access to review their employees’ work on a daily basis via a web-enabled system, even if they are out of the office.
- Use Ethernet versus modem connection from time clocks to web-based software enabling supervisors and managers to view and act on activity in real time regardless of location.
- Use of Biometric clocks versus magstripe or proximity cards to avoid “buddy punching,” excessive badge costs as well as the “*I forgot my badge excuse!*”
- Use time and attendance system to capture simple and complicated accrued time off. Validated balances should be available at the timecard point of entry.
- Track and report employee time through user defined labor accounts. Tracking and reporting of employee time should be charged to various cost centers for any given period of time, whether it be during a day, per job or pay period.
- Increase efficiency interfacing time and attendance to payroll and HR systems to eliminate manual entry of data.

### Research Statistics

The Aberdeen Group recently published a report that was a compilation of survey responses from 333 organizations representing all sizes, industries and geographies that examined the strategies of best-in-class companies. The research focused on how these performers provide the proper automation, integration and access to make a time and attendance system lead to increased accuracy of data, increased revenue and decreased labor costs. Some of their findings are as follows:

- 65% improved accuracy of time data through reductions in time theft and buddy punching
- 60% increased revenue per employee
- 59% decreased overtime as a percentage of total labor costs
- 47% decreased their labor costs as a percentage of sales
- The survey results showed these organizations shared several common characteristics:
  - 88% partially or fully automated the time and attendance data-collection process
  - 81% standardized processes for collecting time and attendance data

### Additional Information to Consider:

- Is your time and attendance company charging you by the number of employees in your database or by the number of employees who actually “punch” during a given month? If they are charging you by the number of employees in the database, you are paying too much.
- Does training take place at your business location or do you have to go to a class or webinar?
- Does your system handle holiday and shift pay properly?
- Can your system memorize key reports and maintenance functions for placement on the dashboards of users to reduce the learning curve and expedite usage?
- Will it create a point tracking system for Attendance management?
- Will it create availability scheduling by identifying the employees who are eligible to choose from?
- Will it allow you to budget for hours/dollars to quickly alert supervisors with a defined percentage of budgeted hours/dollars?

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