

# Time waits for no employee



Time and attendance systems are a core feature of many HR departments, but changes in the industry are afoot and emerging technologies are being applied to the practice, writes **Stuart Fagg**

Ensuring employees are in the right place at the right time and doing the right thing has always been one of the fundamentals of business management. Time and attendance systems traditionally conjure up images of harassed factory workers trudging wearily past the time clock while an overzealous manager looks on. To a certain extent, that image still prevails, but technological advancements are changing the face of the systems and the way HR departments use them.

Time and attendance systems are used for a variety of business functions from monitoring and managing staff attendance to making sure staff aren't accessing the boardroom liquor cabinet.

There are two elements to time and attendance systems. The first is the recording of start and end times of employees while the second involves capturing data for use in payroll. Managing these crucial HR functions can result in mountains of paperwork to plough through, but increasing technological sophistication is driving efficiencies and lower costs.

"There is a general move at the moment that people are looking to improve the way they run their businesses operationally, and reduce cost," says Malcolm Peak, senior e-HR specialist at Watson Wyatt. "Time and attendance is a key part of freeing up dollars not to improve productivity but to reduce costs and increase operational efficiencies."

One such efficiency is the emergence of automated systems. Many firms now use automated systems to track the attendance of their staff, and these have the benefit of supporting other functions. But one of the main benefits of automation, according to vendors, is the elimination of errors and possible manipulation.

"The paybacks are based around the accuracy; the lack of human interpretation – by that I mean my

supervisor is my best mate and he's going to let me off those 10 minutes, whereas a computer system won't let me off those 10 minutes," says Richard Hazeltine, director at MyWorkplace.

Traditional methods of employee data collection might involve onerous tasks such as re-keying attendance data manually from timesheets. This can lead to errors in payroll entry, and payroll accuracy is seen by employees as a measure of the efficiency of the HR department.

Time saving is also seen as a key element of automation. According to some estimates, automating the collection of time and attendance data can save up to 80 per cent of payroll preparation time. Additionally, adopting automated systems allows a reduction of staffing in the payroll department.

"Payroll departments don't like automation as it puts them out of a job," said John Mann at Tempus Fugit. But it's very rarely a payroll decision – payroll departments don't have much responsibility for decision making in organisations."

## T&A trends

Another emerging trend is the utilisation of technology and the internet to provide time and attendance data to supervisors. "For example, if an employee has called in sick, managers can be notified on a real-time basis," says Mann. "The technology is out there, a lot of people have PDAs and mobile phones, and utilising that technology for real time time and attendance information will be the next phase."

But, he adds, the twenty-first century desire for every aspect of business to be online has hurt the vendor industry. "Because people see the online environment is a great medium for accessing data, it hurt our industry and perhaps sent it down a channel we didn't

want to go," he says. "Everyone likes to have the latest and greatest thing but time and attendance has an awful lot of number crunching and the pipes are just not big enough to handle that yet. The thin client languages that are out there are probably two to three years away from being able to handle time and attendance."

At the systems level, automation is gaining acceptance and becoming popular. But there have been major developments on the shop floor, where the workers are clocking in and out and where time and attendance data is collected. Although some organisations' focus in automation of time and attendance systems is on streamlining processes and reducing costs through efficiencies, combating employee fraud, particularly time theft is becoming an increasing concern.

More traditional systems, such as swipe cards, pin keypads and password systems are increasingly being seen as flawed. For example, card systems can be expensive to run, through creation, administration, loss and replacement. Additionally, card systems can be manipulated through 'buddy punching' where employees can punch in and out for their colleagues.

"People are tired of being duped," says Martin Drenovac, general manager at PowerForce Software. "They're trying to avoid the rotting that's going on. The world is getting more and more competitive and people want to be accountable for all their costs."

The potential for time theft is greater with these systems because of their potential to be manipulated. But an emerging trend in workplaces in Australia, and one that some say is set to continue, is biometrics.

## Biometric T&A

Biometric systems identify people based on their unique physical characteristics – typically a finger-

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### Vendor news: Tempus Fugit

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print, iris, voice and face or a behavioural characteristic such as handwriting. These systems are being hailed by some as the ultimate way to manage employee time and attendance. Vendors claim that the systems are so accurate that an individual's biometric cannot be stolen, guessed, lent, lost or forgotten and is almost impossible to recreate. Even in the unlikely scenario that an employee's finger is severed and used by an intruder, it will be unrecognised by the biometric system due to the collapse of minutiae points.

The most popular current biometric product is the fingerprint reader, but the next development is just around the corner. "In terms of data capture, biometrics have been around for a while, but the next thing will be iris reading," says Tempus Fugit's Mann.

However, there may be barriers to entry for iris reading. Although employees may be relatively unruffled by the idea of having their fingerprints read every time they enter their workplace, an iris scan could be seen as being more intrusive. Drenovac cites an example of a large manufacturing company which wanted to implement iris-reading for its manufacturing staff. "It seemed a little over the top," he says.

Industries that are primarily manpower based are the key drivers in moves towards biometric time and attendance systems. Woolworths, for example, uses

finger scanning technology. "There's a lot of fraud going on [in manpower-based industries] and it's causing a lot of grief in management," says Drenovac. "People are battering down the hatches and putting in systems where accountability is guaranteed. Everyone is hunting for accountability and people are looking for electronic systems because they trust the technology."

However, introducing systems that remove the element of trust, can alienate employees. "I think people are very wary of being seen as a policeman, but as with all technology, it's much easier to have a system police than an individual," says Peak. "When you are looking at time and attendance, you are looking at something that is so central to what people do on a day-to-day basis, particularly in waged scenarios. There has to be an element of trust with the employees."

### The Pacific Brands approach to T&A

Pacific Brands, which manages some of Australia's and New Zealand's most recognisable brands, recently found itself reviewing its time and attendance systems involuntarily. "We previously had a time and attendance system and we are midstream in changing over to a new one," says Karen Stone, payroll manager. The previous supplier was acquired by a larger firm which discontinued the product the firm used and this gave Pacific Brands the opportunity to review its time and attendance systems. "It was something that was on the table to be done anyway, and Kronos giving an end date to the system just forced us to do what we'd been putting off," she says.

The firm employs around 5,000 people mostly in warehouse-based roles, 75 per cent of whom are on weekly pay schemes. In this environment time and attendance systems are key. "I guess we didn't have to change our system – we could have kept the system and sourced a way to maintain it and develop it," she says. "But we had identified that some of our processes were very basic and inefficient. A big issue was that we did not have a central database. The previous product could not be operated from a central database and then used in the various basis. We had it operating on a number of different servers so it was very decentralised." That approach saw inconsistencies creeping into the system in terms of data, she adds.

In order to avoid some of the usual conflicts that arise between HR, payroll and IT in these situations, the firm formed a team to examine potential new systems. "We formed a team which consisted of payroll, HR, IT and finance and set down some criteria and had a look at the market," Stone recalls. "The various stakeholders carried different weights in different areas, but it was great to get everyone involved and we made sure we were covering everything from day one. It was good to have the different points of view."

Payroll and HR were the initial prime movers, and looked at some of the options on the market, before bringing the IT and finance departments on board. "Then from that point the group made the decisions," she says.

The team is currently in the process of implementing its new system but chose to try it out on some of its smaller sites before expanding it company wide. "We've based our implementation on starting with four easier sites and used them as a testing ground and used it as an opportunity for the project implementation team to find their feet and to prepare ourselves for the more difficult sites," Stone says.

#### Vendor news: MyWorkplace

MyWorkplace is an organisation which provides professional services coupled with a state of the art, Australian developed labour management solution with an emphasis on improving bottom line performance. The system is designed to facilitate the empowerment of line managers and supervisors in the day to day management of their staff. Regardless of the size of organisation, labour is often the highest controllable cost and the MyWorkplace time and attendance solution provides the tools to better manage labour and thus save money whilst at the same time strengthening workforce relations. For more information call us on 1300 733 731 or visit our website at [www.myworkplace.com.au](http://www.myworkplace.com.au).

#### Vendor news: Microster

Microster is an Australian-based organisation delivering and supporting strategic workforce management systems. Microster's application suite is delivering the following best person – best cost business benefits: proactively control labour costs; optimise personnel utilisation; improve quality of service; protect contracted employment conditions; and minimise workforce administration overheads. The attendance management module is used to track personnel shift & break attendance times and reference these against the scheduled roster to efficiently highlight attendance exceptions. Attendance clocking can use a variety of capture devices including: biometrics; I-buttons; magnetic & proximity readers; PC input; kiosk input; IVR for remote clockings; and internet input. For more information contact Wal Wilkinson on 0414 654 537 or visit [www.microster.com](http://www.microster.com)

