

Workforce Management: Compliance Tools to Protect and Save Your Organization

By Brian Rice

Labor is one of the largest expenses an employer incurs and is a controllable if the right tools are in place. Even while proactively monitoring and controlling your labor costs can drive business productivity and profit, it is an area that many companies tend to overlook. The question isn't how proactive has your organization been in managing labor costs, but how can you do it more cost-effectively and efficiently?

It's a question many companies are beginning to ask themselves, especially in states such as California, where employment laws and the general cost of doing business becomes increasingly more difficult to navigate. While there seems to be no shortage in the number of companies offering their take on the challenge, the route many organizations have found to be the most cost effective and one with the quickest turn around, are automated time and attendance solutions.

First Mortgage Corporation, an independent residential Mortgage Banking corporation with 18 offices across California and Nevada, made their decision to migrate to a fully automated system based on several challenges crucial to their business remaining competitive and profitable. Chief among them was the need to seamlessly integrate a new automated system to their payroll process, which would completely eliminate any double entry of information. Another crucial component to the system was that it needed to provide extensive reporting capability to allow supervisors to better manage their staff.

"When the decision was made to look into the possibility of instituting some kind of a workforce management system", says, Tammy Russ, Vice President of Human Resources for First Mortgage Corporation, "we created a research group to come up with a list of concerns, problems and types of issues an automated system would have to address. Doing so allowed us to accurately identify and prioritize what we needed, providing us a solid foundation to bring in the resources for integrating and implementing the new system."

What is Automated Time & Attendance?

While the ramifications of not incorporating an easier to manage time and attendance solution may be clear, the definition of what exactly is "Time and Attendance" remains somewhat of a mystery for many. In short, time and attendance normally refers to solutions that helps collect, monitor, and control employee labor expenses.

Historically labor costs are one of the largest expenses a company incurs and yet collecting the related data is still a manual process. Like First Mortgage Corporation, companies from a variety of industries are beginning to see just how vulnerable their bottom line is using archaic time and attendance formats, like manual processing, which is error prone, complicated, time consuming and difficult to manage.

Cheryl Abrazado of Mililani Golf Club Restaurant says, “The old way of using time cards and calculating each in-out was a four-hour chore. With an automated system it now takes me no more than five minutes to process my payroll. It’s so easy for everyone to use and I love how simple it is to customize my own reports.”

Once a company institutes an automated time and attendance system they are able to dramatically reduce both their payroll process in time and costs. With only a few clicks of a computer mouse, companies can now proactively manage their labor costs.

The Impact of Employee Lawsuits

The trend of replacing archaic, manual time and attendance processes for more robust automated solutions doesn’t appear to be slowing down anytime soon. Perhaps as much as anything, driving this shift is the continuous threat of employee lawsuits and being properly prepared to handle them.

According to Ursula A. Kubel, a top employee law attorney with leading labor and employment law firm, Carlton DiSante & Freudenberger LLP in Orange County, California, “All it takes is one employee to start a million dollar class action lawsuit.”

With the number of wage and hour lawsuits on the rise the importance of maintaining accurate employee work records is more important than ever before. But with many companies managing their time and attendance manually, producing the necessary records and vital employee information when it matters most becomes quite challenging. As a result, companies are unable to properly protect and defend themselves from labor litigation.

**“All it takes is one disgruntled employee
to start a million dollar class action lawsuit.”**

Most companies today track employees worked and non-worked hours manually. The majority of companies using manual process tend not to keep any records of salary employees’ work hours. A common mistake of misclassifying an employee, made by many major corporations and small business alike, could literally put a company out of business. With labor related litigation on the rise, keeping accurate and accessible records on your employees is crucial to protecting your business and bottom line.

A Range of Options

Time and attendance systems have shifted dramatically over the years to stay in alignment with the ever changing business landscape. Systems have become advanced enough to provide a solution for literally every need of an organization, regardless of size and number of locations. Automated capabilities can range from being able to zero in on an employee’s time spent working on specific projects and tasks to generating an endless combination of highly customized reports and layouts.

What used to constitute as effective time and attendance solutions, such as battery operated and mechanical time clocks, have been replaced by more advanced and efficient methods of collecting and sorting employee data.

Today companies can choose between biometric terminals, which increases security identification, PC programs for companies whose employees perform their daily functions on a PC, and for remote employees, who are constantly on the go, there are inexpensive mobile devices that can easily track employee hours, jobs and a host of other functions.

Finding the Right Balance

One of the most important things in evaluating a time and attendance management solution is to make sure it can grow with you as your company's needs change. With so many time and attendance solutions on the market, the key to making the right choice, according to industry experts, is to choose a solid, cost-effective solution to meet your organization's needs presently, but also one that is scalable enough to satisfy your needs well into the future.

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When searching for a time and attendance system be sure to research each vendor's complete product line to make sure you are purchasing a solution that will grow as your organization's needs change. In evaluating time and attendance systems look for a solution that provides tools to proactively manage your business productivity and profitability. Labor is a controllable expense given the right tools that can add to the bottom line of any organization.

Whether to save money or time, a good time and attendance solution can relieve you of the common error prone tasks involved with labor management. This way you can spend more time focusing on your business, rather than working in your business. Getting the balance right is key to running an efficient and profitable business, no matter what industry your company operates in.

But a time and attendance system goes beyond simply automating the manual, error prone process of collecting and calculating timecards, it can profoundly change a company's culture, as it did for First Mortgage Corporation. When asked whether or not their investment in an automated time and attendance system paid off, their executive's answer was a resounding, "Yes." They went on to add, "And our parking lot is full – on a Friday afternoon."

About The Author:

Brian Rice is a leading authority on automated time and attendance solutions. With over 11 years in the time and attendance industry, Brian has overseen the development and implementation of hundreds of automated solutions for companies in a variety of industries. As the director of sales for a leading time and attendance company, NOVAtime, Brian works with both small and large corporations. For more information on NOVAtime and how a time and attendance solution can benefit your company call 877.486.6682 or email sales@novatime.net. Visit NOVAtime online at www.novatime.com.