

The One Page Time & Attendance Guide

Time & Attendance Systems can greatly improve the accuracy of employee attendance recording and streamline your payroll preparation process. They can also assist with eliminating employee time theft and save your company time and money by reducing payroll preparation time and preventing accidental overpayments. Attendance recording is also important for compliance to employment legislation.

There are two broad types of attendance systems-

Entry Level Systems - Lower cost systems aimed at single site smaller companies with less than 50 employees. These systems have some limitations such as simple award interpretation, simplified reporting and limited integration with payroll software.

Enterprise Class Systems - More costly systems with excellent stability, superior award interpretation and excellent reporting and payroll integration capabilities.

When selecting a time and attendance system there are a few important factors to consider. These will help you decide which system is best for your application and your budget.

What is your budget?

You can solve practically any attendance challenge with a big budget but in smaller companies, budget is likely to be a more of a concern.

A realistic price for a small company is between \$1,500 and \$2,500 - this will include the time clock, software, training and support. This budget will help you avoid the common mistake of buying low priced, poorly supported, inferior product.

For larger companies, particularly multi-site companies, you can expect that an enterprise grade system will cost much more but the return on investment will very quickly recover this cost.

How well are you positioned to implement?

Smaller businesses are less likely to have an IT person on the payroll and in many cases, they do not have the staff or the time to manage a new time and attendance project.

Entry-level time clock systems are usually self install and this can be a big drain on your staff.

Smaller organisations should look carefully at what implementation services are included. The process will be a lot smoother if your supplier assists in the implementation.

Enterprise systems are always implemented by the attendance provider and this is reflected in the price of the product. Your staff will still be involved but generally, larger companies are better equipped in this area.

What are your biggest attendance issues?

Identifying your attendance issues is very important but prioritising them is even more important particularly when you are on a tight budget - it is likely that you will need to compromise on some features ... or increase your budget!

If, for example your biggest challenge is time theft then your first priority is likely to be a biometric system such as fingerprint or facial recognition. If you had only 10 employees then integration with payroll may not be a high priority.

How Complex are Your Attendance Rules?

Often, smaller companies underestimate the complexity of their payroll rules.

When you start using electronic time clocks the times that come through will not be the actual start and finish times like they are on a time sheet. They could be before or after the shift start and finish times so your time clock system needs to know how to deal with this.

Simple is when you pay employees from the minute they start to the minute they finish.

Complex is when you have overtime rules, lunch clockings, different rules for late or early clockings etc.

Smaller companies may be willing to accept less than perfect award interpretation, larger companies will usually be willing to invest in a system that handles the most complex rules.

Summary

Smaller companies, understandably, are driven by budget and will usually select an entry level time and attendance system. Almost certainly, there will be some compromises so it is important to be clear on what particular attendance challenges you are facing. If you are on a limited budget, first identify the pressure points in payroll preparation process and focus on solving those issues first.

Larger companies should avoid entry level systems as they are not robust enough to deal with complex award rules, multi sites applications, detailed reporting and integration with payroll software.

Regardless of the size of your organisation, implementing a new time and attendance system can be a challenging project so it is important to select a solution provider that has the resources and expertise to provide the support you need.