

Timekeeping Technologies: HR's Emerging Strategic Tool

By Doug Peterman, Unitime Systems

Human resource professionals – willingly or not – are becoming increasingly involved in the purchase, implementation and day-to-day use of a wide range of technologies, including time and attendance systems. Accurate time and attendance tracking has always been a critical issue for payroll administrators, especially in businesses with many hourly employees. But today, time and attendance systems are quickly emerging as a strategic tool for HR management.

Today's new technologies and the expanded uses of existing technologies are leading to a new level of integration, or crossover, between HR and time and attendance systems. That integration can define a new, high value role for HR executives and managers.

The emerging crossover between HR and time and attendance has its roots in the larger trend toward human capital management (HCM), which defines the workforce as an integral resource that can be developed and deployed in a manner that benefits individuals and the organization.

As HCM gains traction, HR professionals will become more involved with time and attendance and related business systems – especially as new technology applications deepen the link between HR and time and attendance systems. Leading HR professionals will adapt to this trend to maximize their value and help their organizations implement the most beneficial suite of technologies.

Three areas of time and attendance

functionality exemplify how HR and time and attendance systems work hand-in-hand to create more value for the business: access control, benefit accruals and attendance points.

Access Control

Facility access control isn't a new concept, but it has received renewed attention in the post-9/11 era. For obvious reasons, employers want to prevent terminated employees and unauthorized persons from entering the workplace. This is especially critical for organizations with high levels of turnover and businesses – such as chemical facilities and financial institutions – that work with sensitive materials or information.

For many years, electronic time clocks have included functionality for unlocking facility access points when employees successfully swipe in or out for the day. This process has become more secure with the advancement of biometric timeclocks, which identify physical characteristics rather than just badge numbers. But regardless of the type of time clocks used, the time and attendance system must identify those individuals who are permitted to enter the facility – infor-

mation that is directly tied to the HR systems. Indeed, most time and attendance systems import new hires and terminations from the HR system; thus, the HR professional is already the point person for access control.

With access control functions directly tied to the HR department, HR professionals are faced with a clear choice: embrace the opportunity to improve facility security with the appropriate time and attendance technology, or hope that someone else will take charge before an incident occurs.

Benefit Accruals

The line between time and attendance and HR systems has perhaps blurred the most in the area of benefit hour accruals. Once solely a function of HR systems, many time and attendance systems are now capable of performing accruals. This is a natural extension, as paid-time-off hours are typically entered into the time and attendance system by supervisors or the Payroll department. If paid-time-off hours are entered through time and attendance, why not perform accruals in the same system rather than passing adjusted balances back and forth with the HR system?

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This changing landscape raises an obvious question: Which system is better suited to perform benefit hour accruals? The answer depends on the HR and time and attendance systems a company uses, the nature of the integration between the two systems and a company's specific benefit policies. Some systems are limited in the types of accrual calculations that can be performed, and the workflow of enrollment to accruals to tracking time off may require that accruals be performed by one system instead of another.

The ideal benefit accrual solution varies for each organization, so it's imperative that HR professionals be positioned to evaluate the functionality and workflow of both time and attendance and HR systems.

Attendance Points

The concept of attendance points is a relatively new frontier in both time and attendance and HR. Sometimes called recognition and rewards programs, attendance point programs are designed to reward or penalize employees based on conduct over a set period of time. Attendance point policies vary widely but typically center on absenteeism – one of the major productivity hurdles facing today's businesses.

Attendance lapses such as tardiness and absence are tracked against a balance of points or hours over a predefined period of time, such as a probationary period or a calendar year. Employees who cross specific thresholds within a period receive penalties, while those who are not penalized receive a reward. Penalties might include verbal warnings, written warnings and even termination; rewards might encompass extra paid time off, a pay raise or a bonus.

Attendance point policies are becoming increasingly common as companies realize the significant benefits they offer. By reducing absenteeism and rewarding good conduct, companies can improve morale and

productivity, increase retention of top-performing employees and decrease training costs and employment termination liabilities – all of which are goals of the HR professional. The best way to achieve these goals is through an automated system that ensures accuracy and fairness.

Looking Forward

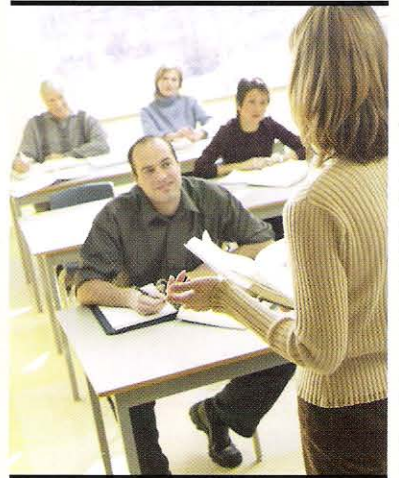
Most industry experts agree that the field of time and attendance will continue to expand and influence HCM in the coming years. For instance, businesses are beginning to extend the concept of access control to include logical access, or permission to access computers and network devices. Similarly, attendance point programs are likely to merge with on-the-job performance evaluation programs, and benefit accrual rates are increasingly being linked to attendance and performance. All of these developments will impact the HR professional.

The opportunity is wide open for HR professionals to take a leadership role in helping their organizations adapt to new time and attendance technologies as well as innovative applications of existing ones. Those who embrace the merging of time and attendance with HR technologies can help their companies improve profitability, decrease costs, and enhance control – and simultaneously increase their own value to the organization.

About the Author

Doug Peterman (doug_peterman@unitime.com) is president and co-founder of Unitime Systems, a Boulder, Colorado-based developer of time automation and labor management software since 1993 (www.unitime.com). The company serves small to enterprise-size customers in nearly every industry throughout the U.S. and abroad. Mr. Peterman has worked in the field of automated time and attendance for more than 15 years.

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