



‘Clocking on’ to time and labour management

Jes Turner looks at the development of time and labour management.

The image of lines of workers clocking on for work in mines and factories is one that will be forever associated with Britain’s proud industrial past. Indeed, the term “clocking off” is now widely used by many to describe finishing work, even though most of us never actually physically or formally mark the start and end of our working days.

Of course, in many industries, employees still need to do this and there are what are often known as ‘time and attendance’ products and services available for this purpose. Gone, to a large extent, are the traditional punch card systems, which have been replaced with anything from swipe cards to biometric scanners. But the concept of time and attendance remains the same – an employer recording employee time of arrival and departure from work.

However, time and attendance has in many cases evolved into what is known today as time and labour management. Fundamentally the same concept, but aimed primarily at the ‘white collar’ sector. In this case however, it is less about *when* employees are working and more about *what* they are doing and how long it is taking them. This isn’t an Orwellian vision of Big Brother coming to reality. On the contrary, what time and labour management solutions do is allow for more efficient management of teams, smoother, and more compliant payroll and empowered employees managing their working time effectively. In fact the reality of it is, employees are just as likely to embrace time and labour management because of the productivity benefits, as they were wary of it’s time and attendance predecessor.

How does it work?

The latest generation of time and labour management solutions available, such as ADP's ezLaborManager, work by taking the concept of a timesheet and integrating it into an on-line payroll and HR management system. This means that employees are able to input data, through a password protected online portal, recording what they are doing and when they are doing it. An individual's 'timesheet' would be tailored to fit their role and how an organisation wishes them to distinguish their time, such as by task, by account or by project. It is therefore possible to capture how much time and against what activities an employee is devoting to a particular client account. Being integrated into the payroll and HR system means this data is also available for analysis by payroll staff or managers.

What are the benefits?

More efficient management of resources

This system isn't about surveillance as it doesn't monitor what employees are doing automatically, but rather relies on employees to input data themselves. What it does is allow managers to analyse up to date, real time information and employees to record their time in a simple and efficient way. Managers are able to see quickly and accurately how much time their people – either individually or as part of a team - are spending on certain tasks. For example, they might identify that a team is spending too much time on administrative tasks and could better use this time to add value to the business. This data could then be used to support a decision to match skills more appropriately.

Alternatively, a team might be spending too much time on a low priority project or it might become apparent that a certain project is more time intensive than originally planned. Using the data, the manager can work out how to rectify this and in the long term will be able to plan future projects better.

Finally, this system gives a manager the ability to look holistically at his or her team and plan work allocations based on accurate and 'live' data on who is doing what and how long it is taking them.

Flexibility

An on-line solution is able to respond to the growing popularity of flexible, home or multi-location working and can make sure that these arrangements work as effectively as possible. A flexible worker is able to input data wherever they have web access and this can help the employee and the manager keep track of their irregular working patterns better.

It will also flag up to a manager when an employee is working extra hours and if a company runs a system of 'flexitime' – where employees accrue hours and take them as holiday - then this system can easily and automatically keep track and log the time. Some companies that run bonus schemes may wish to incentivise certain job tasks and may use this data as a basis for it.

For employees whose pay is time based, a time and labour management system improves accuracy too as systems such as ezLaborManager capture the information at source and can then automatically calculate overtime payments where appropriate, before feeding this information through to payroll.

Finally, because employees on a time and labour management system do not have to be linked to a payroll, contract or agency staff hours can be recorded using the system but paid separately.

More efficient payroll

The integration of time and labour management and payroll systems provides tangible benefits for the efficiency and accuracy of a company's payroll.

Primarily it reduces the time spent by payroll capturing, correcting, chasing and collating timesheet data as this is all input directly into the system by the employee. This frees up payroll staff time and also reduces the chances of costly errors in calculation, data entry and transcription. In all, the preparation time for each payroll round is significantly reduced, leaving time free to analyse data and ensure compliance.

As employees input the data themselves and are able to view their timecards through the secure, web enabled system, there is less need for them to query data and calculations with payroll, thereby further reducing the strain on payroll teams.

Payroll benefits from the system because it has immediate access to records and is able to keep track of employees sickness or annual leave records. Companies that have a sickness management system and process can be automatically alerted when action is required. Likewise, an employee who tries to take more than their annual leave allocation can be alerted to this fact through the system. It also gives employees a 'quick to view' summary of how many days of leave they have left to take – further empowering them to manage holiday allocations effectively.

Finally, opting for a web native system means that there is no need for software to be installed on a company's server and there is no need to invest in security or back up systems as data is secured and backed up on the provider's server. Employers can also be sure that data has not been tampered with as employees have password (and even biometric) protected access to inputting data on their records, unlike the system of spreadsheets saved on servers, which can be open to abuse.

Conclusion

Britain's economy has moved a long way from the time when the majority of people 'clocked on' and 'clocked off' for work using a punch card system. Working lives have become more complex and the distinction between work and home time has become more blurred. At the same time, resources are tighter than they've ever been and companies need to make the most effective use of employees as possible. Modern time and labour management solutions allow companies to allocate and manage employee time more effectively while making the payroll and HR process more efficient, freeing up employee time to concentrate on adding value to the organisation.