LIES, DAMNED LIES AND ~~STATISTICS:~~ *timesheet data*
A TIME TRACKING SURVEY

Dimensional Research | July 2013

Introduction

Businesses have tracked employee time to calculate payroll, bill clients, and understand resource usage for years. From punchcards to spreadsheets, technology has been used to simplify this process for both employees and their companies. Modern approaches to time tracking, including cloud-based applications, are taking this age-old business process to a new level. But do businesses see advantages in changing their approaches? And how much can be gained by employing new methods for tracking time?

The following report, sponsored by Replicon, is based on a survey of 432 professionals who have responsibility for employee time tracking. The goal of the survey, conducted in June 2013, was to quantify challenges with traditional time tracking approaches and evaluate the impact of cloud-based solutions for time tracking.

Executive Summary

Time tracking solutions create challenges for businesses

- 87% report challenges with time tracking
- 50% say users don't like entering their information
- 96% say employees make mistakes
- 32% of solutions lack visibility and insight into resource usage
- 16% of solutions used at large companies do not meet compliance requirements

Cloud-based time tracking offers many benefits over traditional approaches

- 77% would consider cloud-based solutions for time tracking
- 56% believe cloud-based solutions optimize time tracking processes
- 53% believe cloud-based solutions would improve data accuracy
- 44% see value in improved time tracking productivity
- Cloud-based time tracking is seen as more efficient than on-premise, in-house, paper, or punchcard solutions
- Employees, managers, and payroll roles all benefit from cloud-based time tracking

Detailed Findings
Current approaches to time tracking are challenging

Survey participants were asked if they experience challenges with their current approach to time tracking. A remarkable 87% reported difficulties.
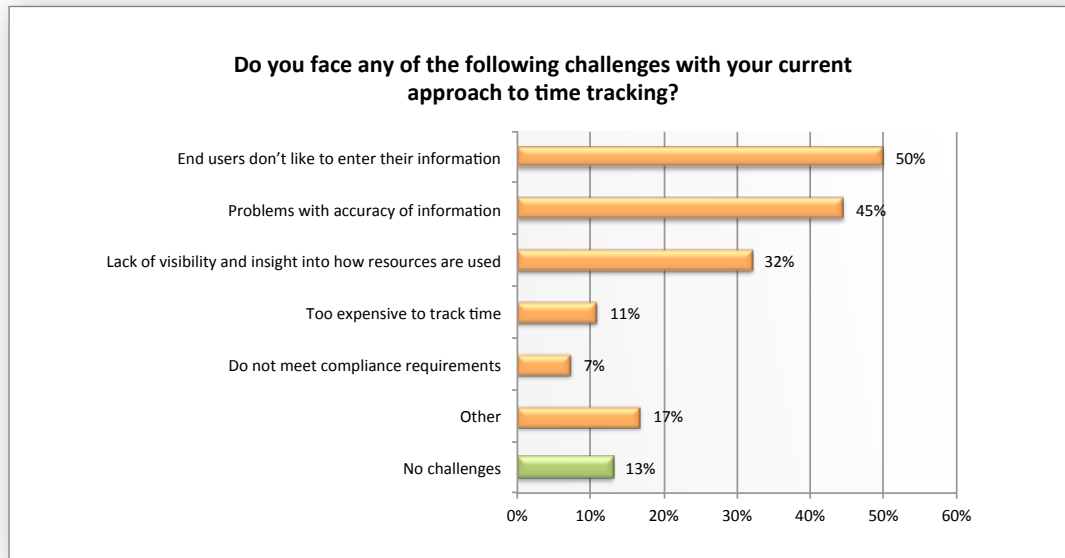
The most frequent concern reported, 50%, is that users dislike entering their time information. Given this issue, it is unsurprising that the second most frequently reported challenge, 45%, is problems with accuracy of information. Participants also report issues with lack of visibility (32%), expense (11%), and compliance (7%) in their current time tracking approaches.

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Do you face any of the following challenges with your current approach to time tracking?

End users don't like to enter their information	50%
Problems with accuracy of information	45%
Lack of visibility and insight into how resources are used	32%
Too expensive to track time	11%
Do not meet compliance requirements	7%
Other	17%
No challenges	13%

Frequent challenges mentioned in the "Other" category included issues with analysis of data, problems integrating with other systems, and poor ease-of-use.

Most of these challenges occurred at similar levels among organizations of all sizes, with the exception of compliance. Among companies with 2000 or more employees, compliance was cited as a much larger issue with more than twice as many participants, 16%, reporting they experienced challenges in this area.

Timesheets are the most disliked tracking process

Participants were asked to indicate which time tracking process was disliked most by their employees. The majority, 70%, selected timesheets as the most disliked process, dramatically more than expense reporting (18%) or paid time off (PTO) reporting (8%).

Which of the following time tracking processes do your employees dislike the most?

- Other 4%
- PTO reporting 8%
- Expense reporting 18%
- Timesheets 70%

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Employees make mistakes on timesheets

Participants were asked if employees ever made mistakes on their time tracking. A remarkable 96% reported that their employees make mistakes when reporting their working time.

Do employees ever make mistakes on their time tracking?

- Do not make mistakes 4%
- Make mistakes 96%

To quantify the scope of these errors, participants who indicated that employees made mistakes were asked what portion of their employees were involved. An alarming 51% of participants say that more than half of their employees make mistakes, including 15% who say that all their employees make mistakes.

What percentage of employees make mistakes on their time tracking?

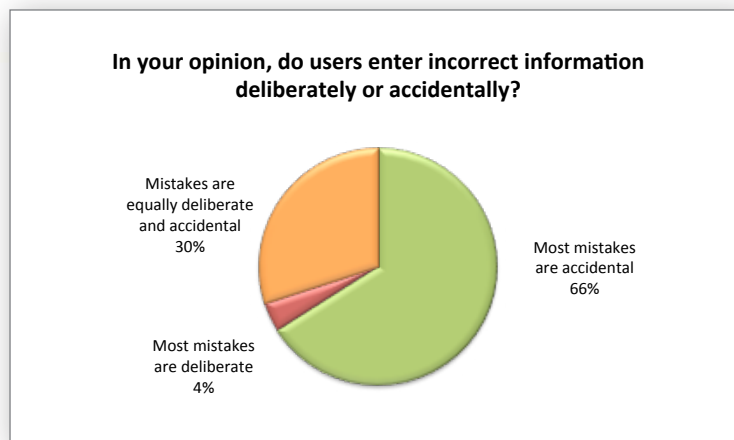- All of them 15%
- More than half 36%
- Less than half 49%

Incorrect time reporting by employees is not believed to be intentional or malicious. Only 4% of respondents believe that most mistakes made by employees when entering time tracking information are made deliberately. The majority, 66%, report that mistakes are typically accidental. The remainder of respondents, 30%, believe these mistakes are equally deliberate and accidental.

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In your opinion, do users enter incorrect information deliberately or accidentally?

Mistakes are equally deliberate and accidental 30%

Most mistakes are accidental 66%

Most mistakes are deliberate 4%
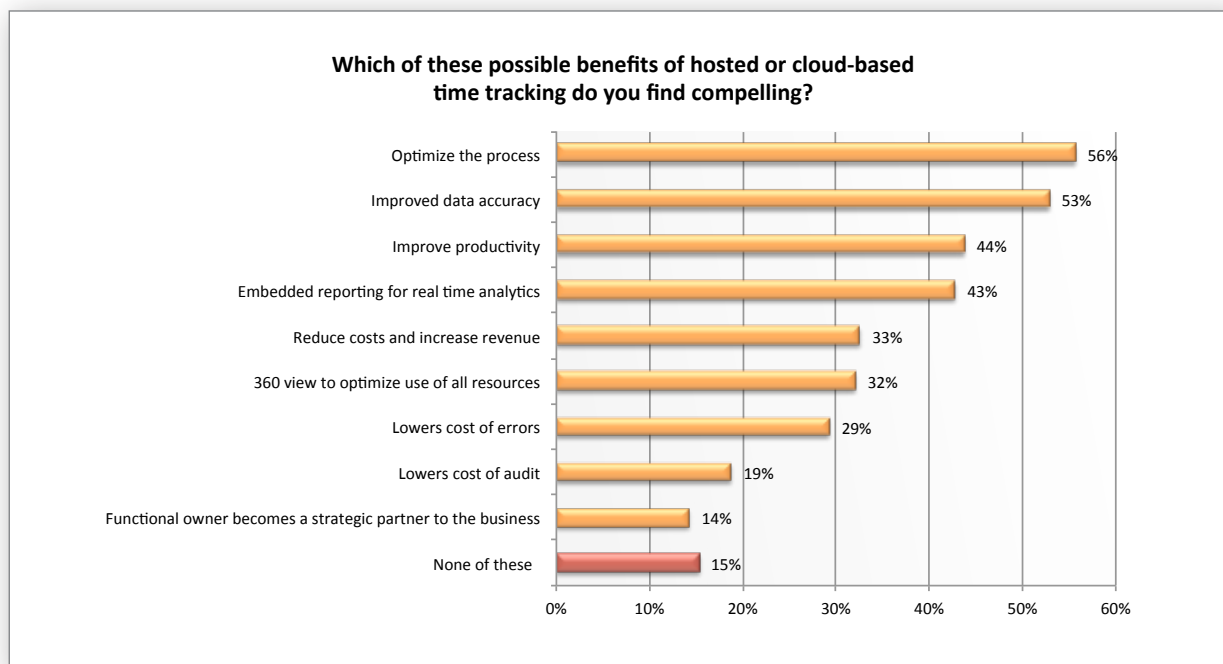
Benefits of cloud-based time tracking are compelling

Participants were presented with a list of possible benefits of hosted or cloud-based time tracking solutions and asked if they found the benefits to be compelling. The large majority of participants, 85%, indicated there were compelling benefits in these solutions.

The most popular benefit reported was optimizing the time tracking process, 56%, followed by improved data accuracy, 53%, and improved productivity, 44%.

Which of these possible benefits of hosted or cloud-based time tracking do you find compelling?

Benefit	Percentage
Optimize the process	56%
Improved data accuracy	53%
Improve productivity	44%
Embedded reporting for real time analytics	43%
Reduce costs and increase revenue	33%
360 view to optimize use of all resources	32%
Lowers cost of errors	29%
Lowers cost of audit	19%
Functional owner becomes a strategic partner to the business	14%
None of these	15%

Most would consider cloud-based time tracking

Participants were asked if they would consider a cloud or hosted option if they were to evaluate a new solution for time tracking. More than three quarters, 77%, indicated they would. This finding is unsurprising given the positive perception of the potential benefits of cloud-based time tracking applications reported above.

If you were to purchase a new time tracking application today, would you consider a cloud-based solution?

No
23%

Yes
77%
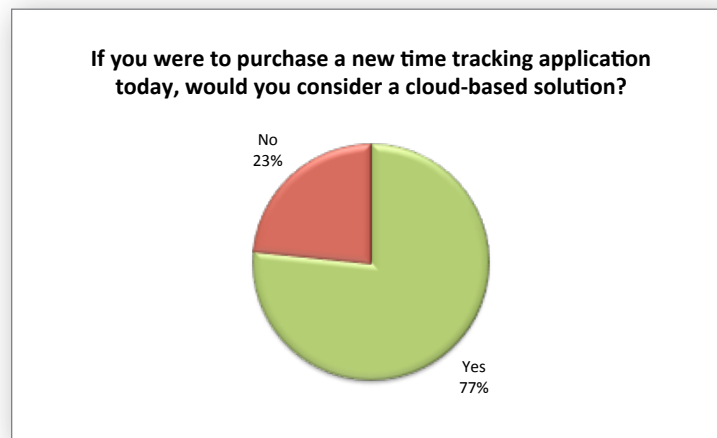
Among the 23% of participants who would not consider a cloud-based solution, many liked the idea. However, because their employees did not work in environments with access to the internet they did not consider cloud solutions to be an option for time tracking.

Cloud-based systems reduce time spent on time tracking for all roles

Participants were asked a range of questions about how much time was spent on time tracking each week. Separate questions were presented to understand the time required from different roles including employees, managers, payroll, and tracking the task of billable project hours.

The most time was spent by payroll, with 69% reporting that the payroll department spends more than 15 minutes per week per employee on reconciling, auditing, and processing timesheets. Over half, 53%, reported that managers spent more than 15 minutes per week reviewing and approving timesheets. The least time was spent by employees, with only 39% reporting that employees spend more than 15 minutes per week filling out timesheets.
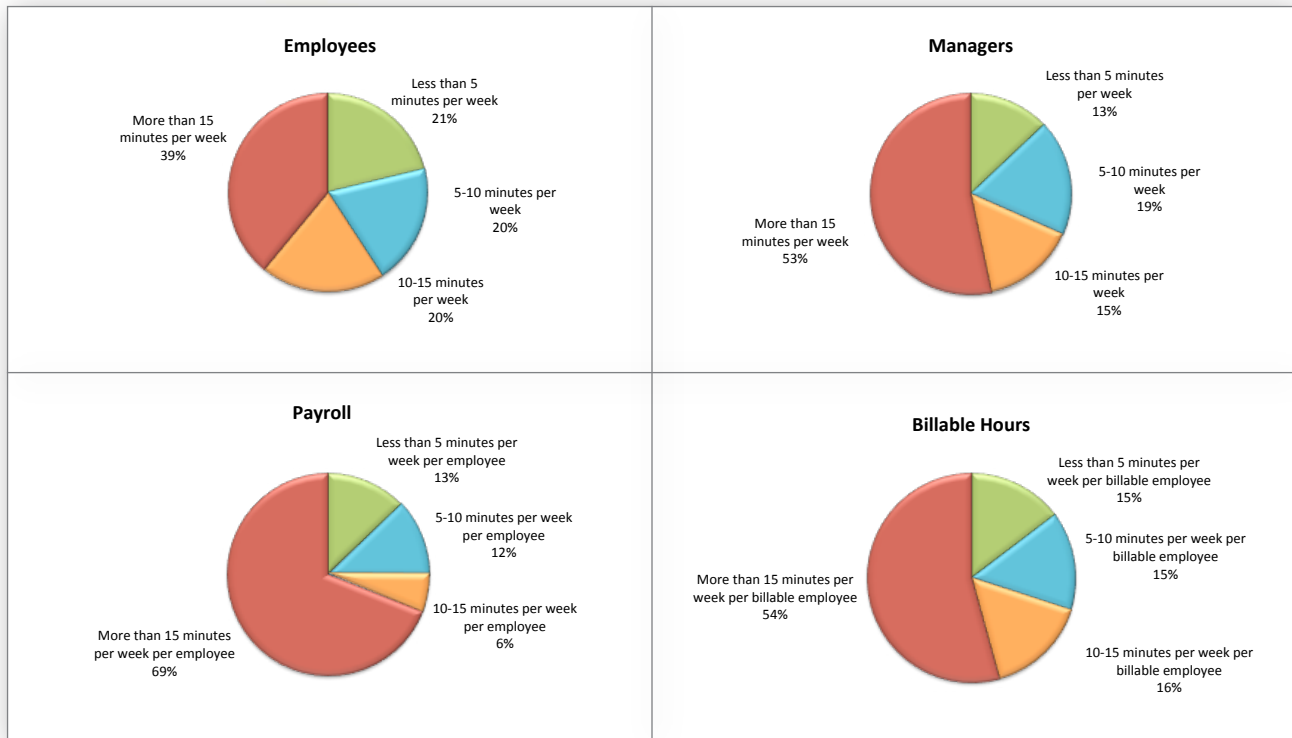
Time Spent on Timesheets

There were significant differences in the time spent by employees, managers, and payroll depending on the type of system used for time tracking. For each role involved with time tracking, those who used hosted or cloud-based solutions reported taking less time to do their tasks each week, with the most significant differences seen among managers and the task of tracking billable hours. Cloud-based time tracking was more efficient not only for paper and punchcard approaches, but also for other technologies including on-premise commercial software and applications developed in-house.
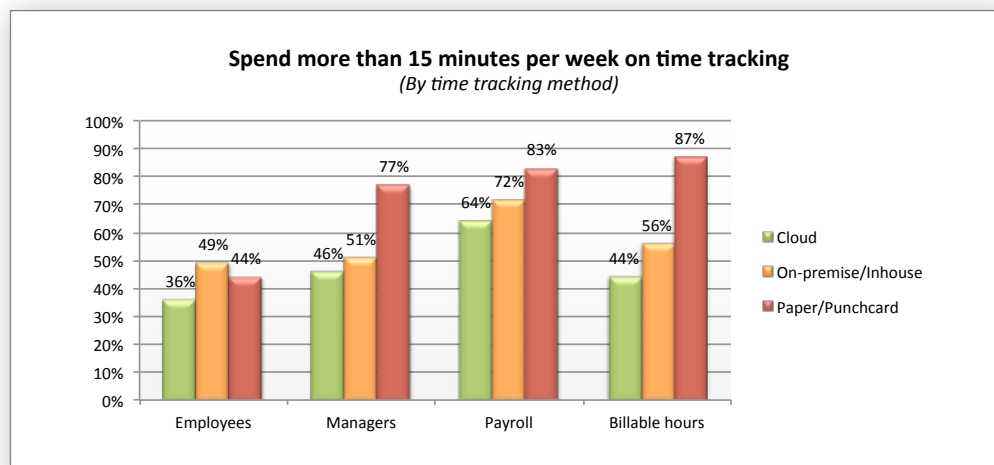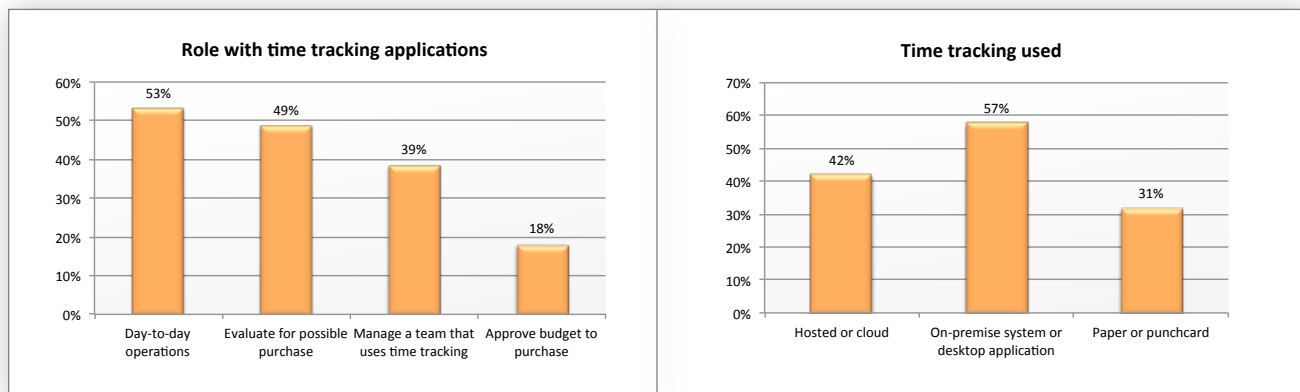
Survey Methodology and Participant Demographics

In June 2013, a database of business professionals was emailed an invitation to participate in a Web survey on the topic of time tracking. A total of 432 individuals with responsibility for purchasing time tracking management applications completed the survey. Participants included a wide variety of stakeholders including business managers, IT, finance, human resources, and others. The companies where the participants worked represented a wide range of sizes and industry verticals.

Industry

Category	Percent
Services	22%
Technology	18%
Healthcare	8%
Manufacturing	6%
Non-Profit	6%
Financial Services	6%
Government	5%
Education	3%
Transportation	3%
Utilities	3%
Telecommunications	2%
Public Sector	1%
Other	19%

Job Function

- Other 15%
- Human resources 8%
- Finance 18%
- General business management 31%
- IT 28%

Number of employees

- More than 5,000 9%
- 2,000 - 5,000 5%
- 500 - 2,000 11%
- 100 - 500 21%
- Less than 100 54%

Participants held a range of responsibilities for purchasing and using time tracking applications. They used a variety of approaches to time tracking including paper or punchcard, hosted or cloud-based, and software deployed on-premise including commercial software, software developed in-house, and desktop applications.

Role with time tracking applications

- Day-to-day operations 53%
- Evaluate for possible purchase 49%
- Manage a team that uses time tracking 39%
- Approve budget to purchase 18%

Time tracking used

- Hosted or cloud 42%
- On-premise system or desktop application 57%
- Paper or punchcard 31%

Respondents were not compensated for participating in this survey except to be offered a copy of the final report.

About Dimensional Research

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About Replicon

Replicon is the leading provider of cloud time tracking applications. Our products are used by over 7,800 companies of all sizes worldwide to better manage workforce attendance, projects, professional services organizations and shared services resources.

By providing complete transparency into time data, our technology reduces compliance risk, keeps costs down and provides unparalleled insight into the key drivers of business performance.

Replicon's award-winning products are delivered 100% in the cloud on a unified platform, and are hassle-free to deploy and use. Replicon is headquartered in Silicon Valley with employees in offices worldwide. For more information, visit www.replicon.com.