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HR and Payroll Professionals Survey Report

To be successful today, organizations need to do more with less. Improving staff productivity, rationalizing labor-related costs, and making sure that employees are paid appropriately for their services, are all sound practices that help manage the bottom line. Most progressive organizations today realize that accurate time tracking is not an option, but a necessity, as it provides vital information to help make informed decisions and grow their businesses.

In an attempt to understand the concerns organizations had when it came to their current systems for time tracking, we conducted a survey of HR professionals and executives in October 2012. The sample set did not consist of any Replicon customers. The respondents revealed that they used systems as diverse as manual tracking on spreadsheets and log books, to complex on-premise installations.
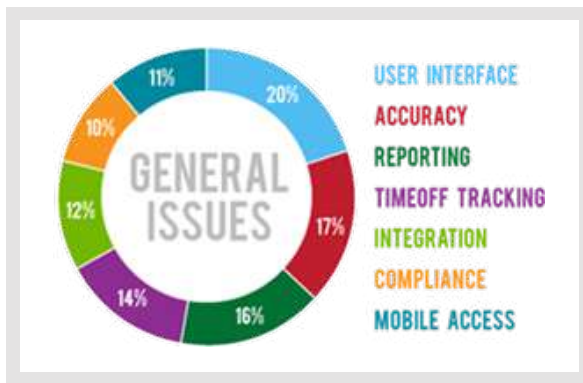
Key Findings

It did not surprise us when respondents mentioned that commonly used time and attendance tracking systems are fraught with complications. As with most technological solutions in general, and business applications in particular, the man-machine interface presents the most problems, followed by the accuracy (or lack thereof) of their system. Next in line is the reporting ability of their systems, followed closely by issues with PTO tracking, compliance and mobile access.

User Interface

The UI plays a very important role when deciding on which time tracking system to purchase. Time tracking is an important function, but companies do not want their employees to spend a lot of time using these systems. The installation and set-up process should be simple and straightforward. Studies have indicated that a well designed interface can increase adoption rates and decrease time spent on administrative tasks.

Nearly 20% of our respondents had complaints about the user interface of their time tracking system. Specific comments mentioned confusing and illogically-designed interfaces, hard to access menus, lack of customizability of the interface, and typefaces and colors that did not contribute to easy legibility.

Accuracy

An American Payroll Association (APA) study indicates that manual processes for tracking employee time can introduce errors of up to 5% in payroll. Often, in-house time tracking applications developed by companies have been found to introduce errors related to rounding, calculation, transposition, or incorrect pay rates and erroneous information in reports. All of these can prove very costly to organizations and could potentially lead to litigation.

Over 17% of our respondents did not find their time tracking solution to be accurate enough. From timesheets that needed to be corrected, or didn't take the correct figures, to incorrect information in reports, this was a sore point for many, as they resulted in employees and managers wasting valuable time.

Reporting

Reporting capabilities equip organizations with visibility into metrics necessary for success and helps them make informed decisions. Organizations require a wide array of pre-configured reports, while also having the option to customize, filter and schedule reports to suit their needs. Without good reporting capabilities, organizations introduce the element of guesswork in making critical decisions.

Either due to poor design or implementation, nearly 16% of those surveyed had problems with the reports being generated by their time tracking system. From systems that were incompatible with their company's ERP & HR applications, to reduced visibility into vital data needed for decision making and compliance, reporting issues cropped up for one in six users.

Compliance

An ineffective time tracking process, instead of adding value, can prove to be potentially harmful to the financial health of an organization. Penalties can be substantial if a

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company is found to be noncompliant with wage and hour policies. A time tracking solution that helps in accurate time tracking and management of time data, automates enforcement of overtime rules—and helps in better scheduling to keep costs under control—is the best aid an organization has in its path to compliance, both with wage and hour laws, as well as with internal policies.

While being affected by several problems, such as those listed above, compliance issues, reported by roughly 10.5% of users in our survey, continue to impact users of time and attendance tracking solutions. The Fair Labor Standards Act makes it a crucial requirement for companies to ensure accurate tracking of hours worked (especially overtime), as well as time taken off by their employees.

Timeoff Tracking

Without a good solution in place to manage it, time off has the potential to become a substantial liability on a company's balance sheet. It can be a huge administrative burden in terms of managing accruals, booking and year end resets, and it can also cause overtime issues, which affect compliance and can seriously affect the bottom line. A recent survey showed that failing to track time off accurately with a well-defined policy can cost firms 3% to 15% of their total operating cost.

Nearly 14.5% of users reported errors in tracking accrued Paid Time Off (PTO), which not only increases payroll costs, but also affects compliance with labor regulations such as the FMLA.

Mobile Access

Having mobile access to time tracking systems is one of the factors that increases adoption, because it does not restrict the user in any way. Today's workforce is demanding in terms of flexibility. Mobile access gives them the ability to comply with their company's time tracking requirements at their convenience, making it a win-win situation for all. Mobile access improves employee engagement and boosts acceptance of the time tracking process.

Companies worldwide have invested heavily to ensure effective, seamless business communications and flow of information. Time tracking systems that cannot be accessed while on the go, or out in the field, makes it difficult for both employees and managers to report in, access vital data and make staffing plans. The fact that 10.5% of our respondents reported this to be an issue only underlines the increasing importance of being able to have location-agnostic access to timesheet data.

By Industry

Our survey finds that the Healthcare, Finance & Banking, IT and Consulting industries are more concerned about good user interfaces, ease of use and accuracy than other industry segments. Healthcare was the top participating industry among our respondents.
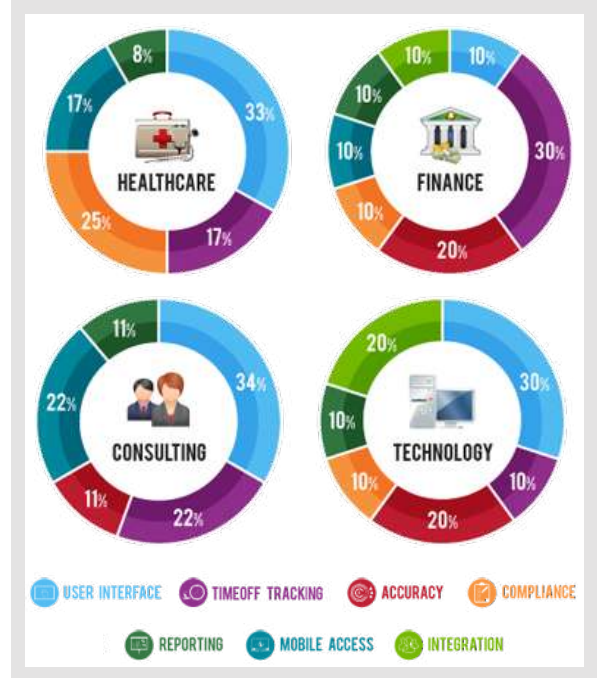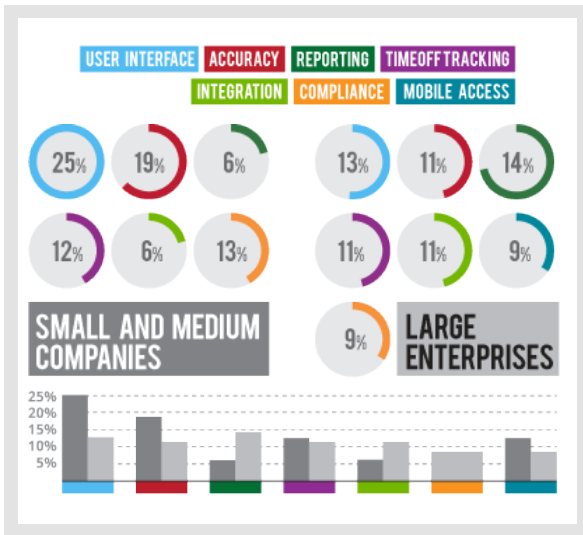

By Job Title

Among those polled, HR-related titles comprised the largest number of respondents, with issues regarding the accuracy of reports and integration with their business applications being their main irritants. Respondents in Business Ops and Accounting both considered reporting issues to be their major pain point with their time and attendance tracking systems.
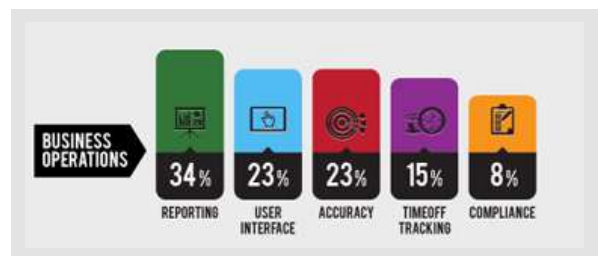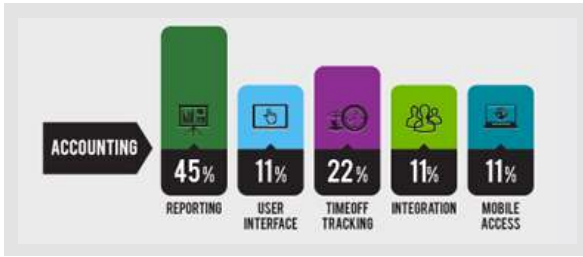
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About Replicon

Replicon, the Time Intelligence™ company, has over 20 years of industry leadership and is pioneering a new approach to time management. Time Intelligence elevates time as a strategic asset within an organization, to improve operational productivity, performance, and profitability.

Replicon's Time Intelligence Platform offers solutions for global time and gross pay compliance, enterprise time management for ERP, professional services automation, and an SDK for continued development - expanding the company's award-winning portfolio of cloud-based products, including complete solution sets for client billing, project costing, and time and attendance.

Replicon supports thousands of customers across 70 countries, with over 400 employees around the globe including the United States, Canada, India, Australia, and the United Kingdom.

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Conclusion

It's clear that current time and attendance tracking systems used by large numbers of businesses worldwide pose plenty of hassles to their users, while failing to provide much-needed functionality in areas such as reporting, integration, compliance, user friendliness and mobile access. Any organization investing in time and attendance tracking solutions will naturally expect a healthy ROI, and thus has to examine the positives and negatives of each prospective tracking system before committing to such major expenditure.