timecloud

Why Businesses are reconsidering their time and attendance

Dylan Birnie

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The problem with timesheets

Traditionally, the handling and management of employee's time and attendance has been a liability for businesses. For decades, business owners have paid a high price for the loss of productivity in hours due to inefficient administration work, human error, and 'time theft' from dishonest or unaware employees.

Fortunately, the world of time tracking has evolved in favor of a more comprehensive workforce system. There has been an increasing shift away from manual time tracking systems that have been the root of many businesses' problems.

How businesses currently manage timesheets

Pen and paper

Historically, paper-based timesheets have been the only way to account for employee hours. Although paper-based systems can get the job done, they are far from ideal. Paper time tracking systems and spreadsheet-based systems create unnecessary work, add cost to a business, and leave both employees and employers vulnerable to time theft. Employees will often need reminding by managers or payroll staff to complete their timesheets on time, which can sometimes lead to friction between the two parties.

Time theft

Businesses have long struggled to account for and find ways to reduce the unethical practices of workplace time theft incurred with some of their employees.

A study was conducted in 2007 by HR Magazine found that **73% of American employees have witnessed unethical practices in the workplace** (Pomeroy, 2007) [fig 3]. Employee ethical misconduct includes, but is not limited to, showing up late to work, leaving work early, buddy punching, and false recordings of hours worked (Arocas & Tang, 2004). According to Forbes, a recent study suggests that anywhere from **4.5 hours per week on average are stolen from employers**. In total, this accounts for almost six full weeks or hundreds of billions of dollars worldwide every year (Ashik, 2018) [fig.4]. Time theft is a massive problem in the construction industry in which **"53 minutes per employee is lost daily due to time theft"** (How Much Can You Save with Automated Time and Attendance, 2006) [fig.5]. Further studies indicate that more than **60% of retail employees admit to time theft** (McGee & Fillion, 1995) [fig.1]

These are just some examples of what we currently know about the extent to which time theft negatively
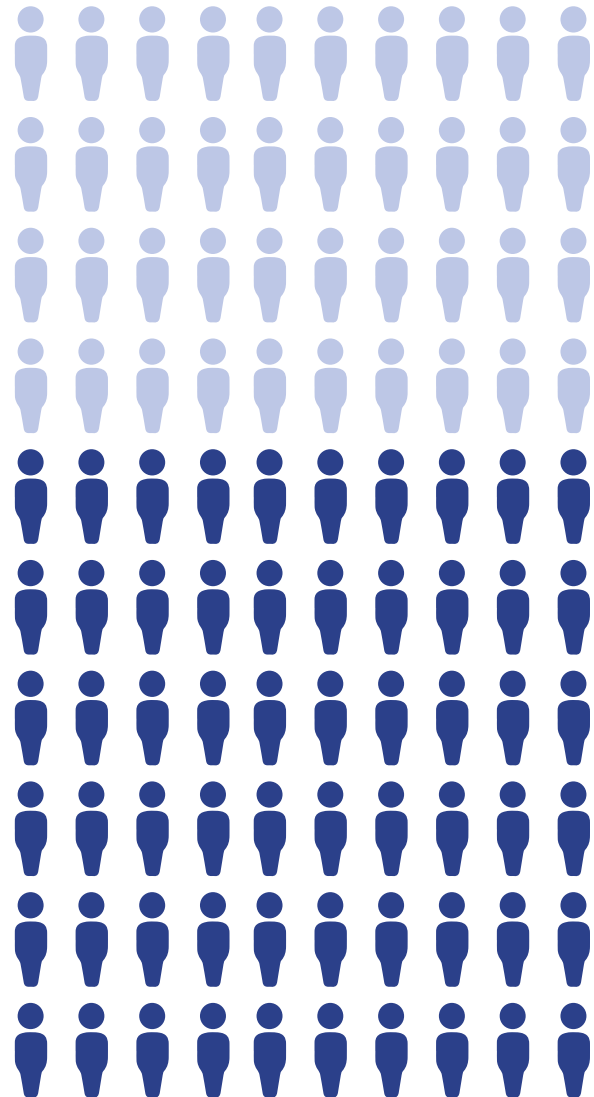

fig.1

impacts businesses.

However, it is important to remember that time theft is not unilateral because both employees and employers are victims and culprits of these practices. Failure to pay staff for overtime is a common way an employer will steal wages. Having a trustworthy,

efficient, and reliable time and attendance solution is critical to ensuring fairness and equity for both parties.

Human Error

Time theft is not the only way businesses lose money via their time and attendance management. The phrase 'you're only human' could not be more relevant. Humans cannot compare to the speed and accuracy of technology when adding and calculating employee hours. Human error is a massive problem in many businesses. For professions such as construction and engineering, laborers must track hours worked on each project and manually enter them into a timesheet. It is also common for employees to enter their hours days after they actually completed the job. These poor practices lead to inaccuracies in the payroll process and account for large sums of money that is left unaccounted for. For such a critical part of our jobs, it is unfortunate that many businesses have yet to make the shift to a cloud-based time and attendance solution.

AffinityLive conducted a survey asking professional service employees about their time tracking habits and accuracy. They surveyed 500 workers and calculated that each person lost **$50,000** per year in revenue due to inadequate email tracking with clients [fig.2]. They also found that human error typically accounts for at least 2% of total payroll costs. For a company with eight employees, this constitutes around **$1850 per annum.**
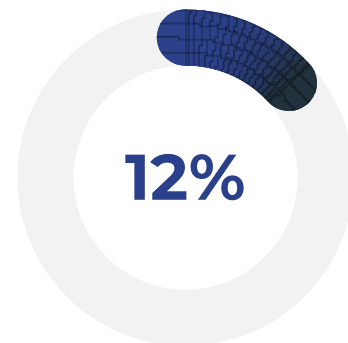
73%
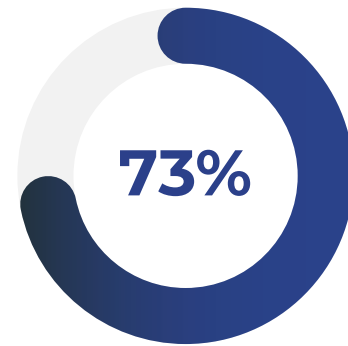
of American employees have witnessed unethical practices in the workplace

fig.3

12%

or nearly 6 full weeks of the year are stolen due to timetheft

fig.4

$30,000
$40,000
$50,000
$60,000
$70,000

fig.2

53 mins

per employee is lost daily due to time theft

fig.5

How time and attendance systems work

Biometrics

Timeclocks, also known as 'Bundy Clocks' eliminate the need for employees to manually record or remember hours worked. And now more than ever, staff and contractors' health and safety are the number one priority of businesses today. For this reason, it is vital to have contactless and secure biometric timeclocks whereby businesses can embed their health and safety policies.

The process

As employees enter a site/office, they can sign-in immediately with a timeclock and sign-out when they leave. The process is simplified and no longer requires entering in numbers or risking mistakes that can cause altercations between employees and management. Users can hold their hand near biometric palm scanners while it scans their hand's vein structure. The scanner does not read the skin's surface, meaning even workers with unkempt hands can still clock-in. Alternatively, employees can clock in and out with facial or fingerprint scanners. All of which provide a seamless, contactless sign-in experience. All of this while sending real-time data to administrators, enabling them to visualize who is signed in and where.

The result

Workers who have access to biometric scanners for their time and attendance can get on with their jobs sooner and have their hours recorded accurately every time. The conversion of manual timesheets to cloud-based digital systems and biometric time clocks will provide real-time visibility, measurability, and accountability to employees, supervisors, and management anywhere in the world. Moreover, the move to Software as a Service (SaaS) is rapidly changing the way people run businesses globally.

Xero is a prime example of a SaaS player who significantly improves the way businesses operate. They have aided in an increase of productivity and growth in businesses by connecting them with the tools they need to manage payroll.

A survey conducted by Software Advice discovered that time and attendance software which utilizes **biometric technology proves to be more effective at preventing time theft:** just 3% of employees recorded were stealing time.

Growth

Research shows larger businesses are more likely to use biometric clock-in technology.
Meanwhile, just 17% of biometric clock users are businesses with 50 employees or fewer.

50%
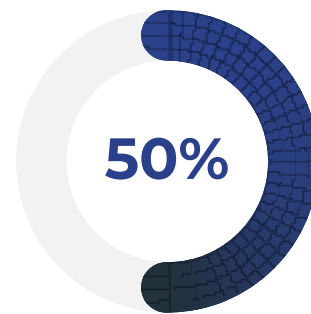
of companies with 1,000 or more employees adopt biometric clocks as their time tracking method for hourly workers.

These same businesses account for 65% of those using manual timesheets (Osterhaus, 2015). It appears small firms hold a perception that this technology is beyond their means and will not provide a return on their investment. Despite this, it remains true that outdated time and attendance systems will cost companies more money in the long term (5 Reasons Biometric Time Clocks are Worth the Investment, n.d.).

> ## "
>
> ## I love the fact that biometric timeclocks give us live, up to date data of who is currently at work.
>
> - Timecloud customer, Natalee L
> Capterra Reviews

Who will be the winners as these changes play out?

Time and attendance software is at the forefront of a digital workforce revolution. Therefore, time and attendance providers who refuse to offer such technologies will struggle to provide customers the best solution. Also, businesses that do not adopt these technologies will continue to work with time theft, huge administration costs, and workplace friction. All of which makes manual timesheets increasingly challenging for their teams to use. Any business that requires time and attendance for its employees or contractors will need to shift to a cloud-based biometric solution to thrive in the modern business world.

Why Timecloud time and attendance makes sense

Two in One

Timecloud is unique in its ability to provide both time and attendance software and hardware. Most time and attendance providers will only offer their online software or mobile app, not biometric clock-in hardware such as face, palm, and fingerprint scanners. This approach does not fully cover the needs of customers who see the added value in utilizing biometrics, which, as previously discussed, are the most secure and advanced time tracking system.

Clock in, your way

Timecloud also provides a uniquely intelligent software that allows employees to clock in on one device and clock out on another. For example, an employee might find it more convenient to clock-in on our mobile app in the morning if they were already interacting with their phone. They may then choose to clock-out on the palm scanner as they leave the office, instead of searching for their phone in their handbag or back pocket. Essentially, Timecloud aims to make time tracking as smooth and timeless as possible for management and staff.

Innovative

Timecloud, like the rest of the world, has also had to overcome and adapt to life with COVID-19. Often, adversity is the platform we need for success. For many businesses in the community, the uncertainty has inspired innovation, creativity, and adaptation. From learning how to work from home by connecting via Zoom or Microsoft Teams, to creating new products that improve people's lives. There has been no shortage of innovation and adaptation. Take De Nora Water Technologies, for example.
With disinfectants in high demand due to COVID-19

(Berardi, 2020), De Nora worked with Salesforce Maps to identify hotspots where their new product being sold and gaps where they do not have a local distributor to create new growth opportunities. As a result, De Nora continues to provide customers on-site disinfection generators for workspaces and businesses in the 'new normal' (How Salesforce Customers in Every Industry Are Responding to COVID-19, 2020).

Timecloud has had a similar experience in 2020. Adversity has caused us to continue to develop new products and pivot to ensure we can keep helping businesses. The uncertainty has created a greater need for visibility in every area of business. One of the ways Timecloud has responded to customers' requests is by providing them with access to a new 'Productivity Report.' A productivity report provides self-awareness and greater visibility for employees and managers. Managers can now make better data-driven decisions to help their staff and business grow to be more efficient.

The vision

With a clear vision in mind, it is important to us to empower businesses by automating their workforce management. Time is central to all that we do and is a great leveler across all people. It has no regard for location, age, race, gender, or role. Juggling multiple tasks at one time is not something anyone can manage long-term. We see the stress and unproductiveness in businesses that struggle to control their time. The result is a team lacking in a sense of satisfaction and accomplishment.

We ask ourselves, what if businesses could genuinely harness time for themselves and those who work for and around the company. That is why we are working hard to build better workplace environments by improving time management and putting money back in employees' and businesses' pockets.

At our core, we want to take the chaos out of people's lives and provide them with interconnected products that support a harmonized workforce solution. We offer peace of mind to any business currently struggling with an unorganized, manual, and stressful workforce management system.

"continuous financial reinvestment in your company is crucial to it's survival

- Warren Buffett

How to automate your time and attendance

1. **Discover more features**

See what other benefits and features time and attendance software has for your business.

Learn more

2. **Try our free timesheet calculator**

Get a feel for our product and quickly calculate your weekly staff timesheets.

Try Timecloud for free

3. **Get started**

Track and monitor your staff timesheets on the go.

Book a demo

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