

Executive Briefing #22 – The Heart of Your HCM Strategy: Time and Attendance?

Focus On The Facts.

Today it seems everyone is participating in the Human Capital Management (HCM) revolution. Technology with pretty interfaces, interesting features and functionality, and exciting stories about future releases occupy the headlines. In this environment of rapid change, it is easy to forget the core engine that makes all of these new tools work: a robust time and attendance platform. An HCM solution cannot function adequately because it must feed on time and attendance data.

The reality is that hourly workers are on the move. We ask them to do more, train more, and adjust to changing demands. It is how we stay competitive. However, in this environment offering little visibility and a lot of variability, tracking employees accurately is close to an impossible task without the right tools. More specifically, your HCM tools have no chance for accuracy without the right time and attendance solution. Therefore, when looking at where to focus your energy, you must recognize that time and attendance is the main artery feeding your HCM application.

Getting The Fundamentals Right First

The word fundamental is often seen as synonymous with basic or easy, but in this case it applies to foundational and critical. As companies across a wide range of industries work on their own version of lean and just in time, employees are being asked to take on larger tasks and move across multiple areas of the organization. Accounting for these hours has never been more important or more difficult. This great shift in complexity is one of many factors driving the purchase of time and attendance. While many vendors have flashy and exciting dashboards, do not be blinded by these options and forget the core engine that makes them all work. Data from your time and attendance system fuels your HCM solution. If you do not get the fundamentals right, then nothing else about your HCM solution matters.

The Key Points

- Accurate collection of inputs, punches, and transfers to feed to not only payroll, but HR and GL
- Capture and calculate benefit accruals accurately, even with varying rules, policies and CBAs
- Multiple mediums for data collection; remote, offline, etc.
- Real time reporting capabilities to monitor compliance, safety, and productivity
- Proactive management of unplanned or planned absences

Without the right inputs, no other HCM solution can be successful.

Process Efficiency

Although a small number of our clients still account for time manually, even they are making the change to automation. This is due to process efficiency. Manual time cards are not only incredibly time consuming, but the effort they consume

Core Practice is a leading provider of operational and labor strategy consulting services with over 20 years of experience designing, developing, and implementing innovative labor solutions. Core Practice's labor strategies combine the best people with the right equipment at the right time and provide clients with a competitive advantage. Core Practice has worked extensively with clients in manufacturing, distribution, contact center, and mining industries. To learn more about Core Practice and what we do, please contact:

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comes from some very expensive and valuable resources - managers and supervisors. Although one of our clients found manual time cards “charming” and personal, even they acknowledged they were riddled with errors and often caused their leaders to fill an administrative role. They made the change to time and attendance software for two big reasons:

1. Accurate accounting of time is mission critical and too costly to get wrong.
2. More face time with company leaders freed from the manual process drives morale higher and overall confidence in the process is improved.

This gain in process efficiency translates into a better work experience for everyone. This is why time and attendance is the central value in the HCM narrative.

The Cost of Getting It Wrong

A clear understanding of cost is often the biggest factor our clients make in purchasing technology. We cannot stress how valuable both time and attendance and payroll software can be in any organization. The push to prioritize time and attendance first comes from multiple cost considerations.

1. HRLab.com, an objective human resources site, had the following to say, “For any industry or organization with a larger percentage of hourly-wage workers though, this is a solution that allows for accurate prediction, and increased success in labor planning and management—often reducing overall labor expenditures by up to 10%.”
2. James Holincheck from Gartner said, “This money ends up being well spent.” His point is that there is too much at stake to not measure and monitor employee time fully and accurately.
3. Employees are expensive and even small amounts of deviations from the plan can cost large amounts of money. If employees cost \$25.00/hour (fully loaded with all benefits including healthcare, time off benefits, and taxes) even a 10 minute addition in cost each day adds up over the course of a year. If an organization has 1,000 employees working 260 days each year and adding 10 minutes each day to their time, this equals over \$1,083,000 year over year. This time could come from taking a few extra minutes at breaks and lunches or coming in a little early or staying a few minutes late. It all adds up and it must be tracked and kept in check.

Strategic thinking is a priority in a world of shrinking talent pools and more highly educated employees. Do you have the raw data needed to do accurate analysis, forecasting and then comparison to actuals to continually improve? Can you track employee time so they can be paid accurately? Get the fundamentals right before venturing into other strategic initiatives. If you do not, it is likely, without accurate data, those initiatives will fail. If you understand where the challenges are, they can be fixed. The right labor strategies and tools can make this a reality. If any of this topic interests you, we can help. To find out how we can actively help your organization navigate the WFM landscape, contact Core Practice at 212-534-0539.

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