

# **7 Selection Factors for Time & Attendance Software**

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## **Understanding How to Best Select Time & Attendance Software**

With 88% of businesses (according to Aberdeen) leveraging partially or fully automated time and attendance processes (and averaging roughly 7% savings per annum), it's clear that mainstream acceptance and adoption for this type of HR software has been respectably well-received and achieved. Yet with almost 200 separate Time and Attendance software solutions on the market, selecting the right software to both meet your needs and deliver the expected return on investment (ROI) can feel like a daunting task. HR software selection best practices can cull the prospective list down some, but it's likely that additional selection criteria will also be needed. As such, to support organizations' decision making processes for time and attendance technology, we've included the following 7 questions to serve as a guide.

### **1) Is the Time & Attendance Software User-Friendly?**

A recent survey by Information Week highlighted that only "1% of companies said software functionality is a factor for realizing the value of a software deployment". Yes, you heard it right, only 1%. Rather, what was considered by far the most important factor for realizing value and ROI, being cited by 70% of respondents, was how effectively the "user community adopted the software". User adoption is directly linked to usability or user-friendliness. Therefore, to ensure that you will realize the full ROI of your investment in time and attendance software, you should choose one which ranks high on user-friendliness, assuming it has the appropriate functionality. Objective benchmarks when reviewing user-friendly software include intuitive navigation, number of keystrokes required to navigate, availability of navigation aids such as Favorites or shortcuts, number of forms or pages to complete transactions, options for role-based UI configuration and the estimated time to learn the application's primary features.

### **2) Does the Time & Attendance Technology Cater to Your Industry?**

The existing client base will provide an indication of the vendor's experience with companies of your size and in your business sector. For the most tailored service and most suitable pricing structure, you should consider vendors who work with companies similar to your business both in size and industry. Best-of-breed, niche vendors often display a list of clients on the home-page along with case studies, or alternatively, you can request this information from the software vendor.

### **3) Does the Time & Attendance Software Integrate with Payroll?**

The manual process of re-keying time-sheet hours into the payroll system is one of the top 10 leading causes of mistakes during the payroll process according to an ADP survey. A way to eliminate these errors is to directly transfer data from the time and attendance system to your payroll system. This process is known as payroll integration. Ideally, you should then choose a time-sheet system that integrates with your current payroll application. Similarly, if you use a cost accounting or job costing system, be sure the time sheet integrates with the cost codes and those systems as well.

### **4) Can the Time & Attendance Software be Accessed From Anywhere?**

Research tells us that the workforce is becoming increasingly mobile, with 25% of the US workforce telecommuting from home or working remotely on a regular basis according to a survey by Forrester. When choosing a time and attendance system, ensure that it can be updated through a web-browser or mobile device so that it can be accessed from any location by your mobile workforce, assuming they have a PC or smartphone. Further, many systems come with interactive voice response—allowing

employees to update their time- and leave-sheets over the telephone; making this a useful alternative or additional option to web access.

### **5) Can the Time & Attendance Technology Support Notifications and Alerts?**

The Fair Labor Standards Act compels companies to maintain full time-sheet records. Likewise The DOL (U.S. Department of Labor) can visit companies and perform an inspection of time-keeping and payroll records without warning; fully within their rights to face businesses with financial penalties if they are found to have not complied with procedures. A recent report by Sage, *Avoiding FLSA Record Keeping Pitfalls*, shows that failing to maintain accurate time-sheets is one of the most common violations under the FLSA. Therefore, choose a time and attendance system that includes automated reminders which will prompt your employees to fill in time-sheets on time and comprehensively, improving the standard of record-keeping.

### **6) Can the Time & Attendance Technology Automate Business Processes?**

Depending on any organization's size, decentralization, internal controls and industry, business rules for time and attendance processes can run the gamut as far as how simple or complex they get. Regardless of the extent to which an organization needs to customize or configure processes, your time and attendance system should still have the functionality to enable users to easily create rules that reflect policies, methods, controls and workflow. Aside from the inherent efficiencies gained through this feature, time and attendance software that utilizes these capabilities helps to ensure that the system does not include un-worked or unauthorized hours.

### **7) Can the Time & Attendance Technology Support Biometric Applications?**

Biometric technology means using things like fingerprint analysis or retinal scans to verify a person's identity. Time and attendance application packages which use this technology have been shown by the American Payroll Association (APA) Survey to reduce deliberate time-fraud, where one employees clocks in for another (also known as "buddy-punching"). In turn, APA research indicates that this reduction can lead to employer savings of up to 5% on annual payroll costs. In addition to these benefits, time and attendance systems that include biometric technology can also increase the authenticity of employee time-keeping records.

### **Final Thoughts on Time and Attendance Software Selection**

With 185+ Time and Attendance software vendors on the market, choosing the right solution provider can seem like a near insurmountable task. However, by keeping the above-listed time and attendance software selection questions in mind, a suitable short-list of potential solutions can be easily achieved. That said, while thorough, these time and attendance technology facets are far from comprehensive and organizations would do well to remain focused on discerning and meeting their own unique set of needs in this arena—efforts that will likely result in a time and attendance software selection process which is far simpler than anticipated.