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# How to Reduce Attendance Policy Administration Errors by Easily Automating the Tabulation of Data

(An effective way to communicate attendance information to employees)

A white paper by Frank Le Fevre

## Executive Summary

The daily HR demands of manually administering attendance policies are wasting hundreds of thousands of company dollars and time year after year.

Functioning in an environment of manual paperwork and archaic legacy programs, HR staff members often spend hours cross-referencing and tabulating data only to end up with inaccurate and outdated reports.

This reliance upon manual methods over automation has hindered HR staff members. They are unable to perform real-time recordkeeping thereby jeopardizing organizational accountability.

Resolution towards effective attendance policy administration isn't as simple as adding an automated interface. Many companies grapple with numerous issues demanding a sophisticated customized solution that accommodates:

- Multi-state plant sites and external workforce;
- Diverse attendance point systems;
- Multiple labor agreements; and
- Specialized union reporting documentation.

This white paper identifies issues relevant to today's HR environment. It also explores two different HR environments that have successfully moved into automated attendance policy administration and eliminated errors, saved time and simplified analysis. An annual ROI as high as 600% has been achieved by increased workforce productivity and enhanced employee communications.

*White Paper author **Frank Le Fevre** is a Points North consultant with over 20 years experience in policy attendance automation and time labor management. With expertise in customizing the needs of companies with multi-site plants and complex union contracts, Le Fevre applies technology solutions to policy compliance issues.*

In this complex regulated environment, companies place pressure on management to administer attendance policy efficiently and accurately. A recent survey of human resources professionals reveals key compliance concerns.

### **HR Managers Agree on Efficiency and Accuracy**

A cross section of 100 HR Managers from North American manufacturing companies, with employee counts greater than 100, recently participated in a study regarding attendance policy administration. They represented the following 2-digit SIC Codes:

- 20 - Food & Kindred Products Manufacturers
- 22 - Textile Mill Products Manufacturers
- 25 - Furniture & Fixtures Manufacturers
- 30 - Rubber & Misc. Plastics Manufacturers
- 31 - Leather & Leather Products Manufacturers
- 33 - Primary Metal Industries Manufacturers
- 34 - Fabricated Metal Products Manufacturers
- 35 - Industrial & Commercial Machinery Manufacturers
- 37 - Transportation Equipment Manufacturers

Managers agreed on chief concerns about attendance policy administration:

- Productivity (HR staff are often bogged down in non-automated environments)
- Errors (Embarrassing and costly mistakes are made by hand tabulation)
- Time Savings (Gathering, retrieving and processing of attendance data eats into time needed for other activities)
- Ease of Use (Complexity of administration programs was a common complaint)
- Effective Employee Communication (HR staff members had more important things to do with their time than look up attendance information for employees)

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*Effective policy administration is not possible if the data used is not accurate.*

Recognizing that excellence in communication with employees was key to having good relationships, HR managers noted that:

- Objective data eliminated problems
- Accurate data builds trust between employer and employee
- Access to accurate data actually increased the attendance of factory workers
- Automated data would free up the time of those who spend time “accumulating” the answers for employees.

### **Two HR Managers Seek an Answer to Their Attendance Policy Administration Challenges**

Two HR managers from large nationally-based manufacturing companies experienced the frustrations of time consuming fact checking, endless data tabulation, distracting inquiries and numerous complaints while administrating their companies’ attendance policies.

Burdened with an ineffective way to handle data, each manager was overwhelmed by the amount of time required to input and record attendance activity and monitor policy compliance.

- One of the managers, whose company serves the aviation industry, spent approximately 10 hours weekly to collect and record attendance incidences. This accounted for 25% of her week.
- The second manager who works at a leading beverage company calculated she spent five hours a week, about 15% of her time, on manually documenting attendance and coding incidences.

Since information on attendance activity was only available through each of the company’s HR departments, the managers were frequently interrupted by requests and questions from supervisors and employees.

Dependency on outdated methods also affected the managers' progress with weekly and monthly report generation.

- These reports were essential to evaluating employee attendance statistics against policy guidelines. Managers were forced to form their reports from data that had been manually compiled. The inefficiency of this method only increased the odds of numerous errors; so regrettably, the managers concluded their reports were unreliable. In addition, it normally took each manager several hours a month to generate the reports—further robbing them of time for other duties.

Both HR managers relied upon recordkeeping to help them monitor disciplinary activity and comply with union policy.

- Last year, one manager spent over 24 hours, or 60% of her workweek, in collecting documentation for a grievance case. Without an automated system at the time, it was necessary to collect paperwork manually then consolidate the information into a report. Data collected about the case was used as resource material for disciplinary action letters that were also manually created.

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*The automated policy application integrated seamlessly with each company's time labor management system.*

#### Automated Coding Saved Time and Reduced Significant Errors

Each manager had been frustrated with excess time spent on tedious input of attendance policy codes for their reports. They manually coded policy transgressions against daily attendance records. Mistakes were made.

The HR manager at the beverage company had been experiencing challenges with inaccurate coding of employees' absences, paid time off, and leaves of absence. The previous year, approximately 10-15% of the company's employees had been paid for days they didn't work as a result of careless recordkeeping. The automated attendance system reversed this problem and now there's accurate coding and tracking of attendance incidences for all employees.

With an automated policy application installed and integrated with their time labor management systems, coding became hassle-free. All detailed attendance policy details interfaced automatically thereby increasing worker productivity.

### Automation Produced Accurate Reports in One Step

Previously, report generation was an extended process of data collection, cross-reference and fact checking. Now, reports are automatically created with a command.

Both managers achieved real-time reporting and documenting with automated tracking of attendance incidences. The instantaneous functionality of the program ensured current employee tracking. This eliminated costly errors previously incurred from overpaid labor, union penalties, and delinquent disciplinary action.

### Automation Improved Employee Communications

An automated policy application removed subjective analysis and guesswork. The HR managers responded to employee inquires through a simple search process rather than lengthy manual fact-finding. They achieved more timely communications about policy issues in a concise and prompt fashion. This sent a message of fairness and impartiality, which helped to improve morale and productivity among the employees.

### The Lack of Automation Wasted Company Dollars and Time

Aware they were wasting company dollars and time, the managers requested their companies explore the automation of attendance policy administration. Each manager's rationale was similar even though they worked in two different industries. They sought to:

- Save time by eliminating double entry
- Increase accuracy and efficiency with a system that was customizable and configurable to their unique situation and policy
- Acquire an easy-to-use system for entering data and one that required little editing.

Implementation of an automated attendance system achieved all the goals sought by the HR managers. They resolved the challenges they had experienced prior to the installation. Results included:

HR Manager, Aerospace Company

- HR manager **saved approximately 45 hours monthly** by eliminating the need to collect data and cross-reference codes.
- Offsite plant **saved 90 hours monthly** with automated data collection and coding.
- Production of automatic disciplinary letters **eliminated** the need to generate the letters manually.
- Errors resulting from manual data entry were completely **eliminated**.
- Reports are **100% accurate** and produced on time.

HR Manager, Beverage Company

- HR manager **saved 60 hours monthly** by eliminating the need to collect data, cross-reference codes and assist supervisors.
- Mistakes generated from manual entry of data were completely **eliminated**.
- Automatic integration of policy codes **eliminated** a 15% error incidence rate.
- Reports were completely **accurate** and produced on time.
- Time spent on documenting grievance case **reduced** from 24 to eight hours.

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*Both HR managers reported immediate returns on time management from improved productivity.*

### Substantial Financial Results

The application was customized to meet the individual specifications of each company. This understandably impacted the financial investment for the software resulting in each company investing slightly different amounts. The Aerospace company invested \$8,500 for its automated system while the Beverage company invested \$9,500.

The HR managers realized annual savings of the following:

HR Manager, Aerospace Company

- \$10,000 in corporate office HR manager's time manually collecting and tabulating data.
- \$20,000 in offsite HR department's time manually collecting and tabulating data

**They began to experience an ROI in less than four months.**

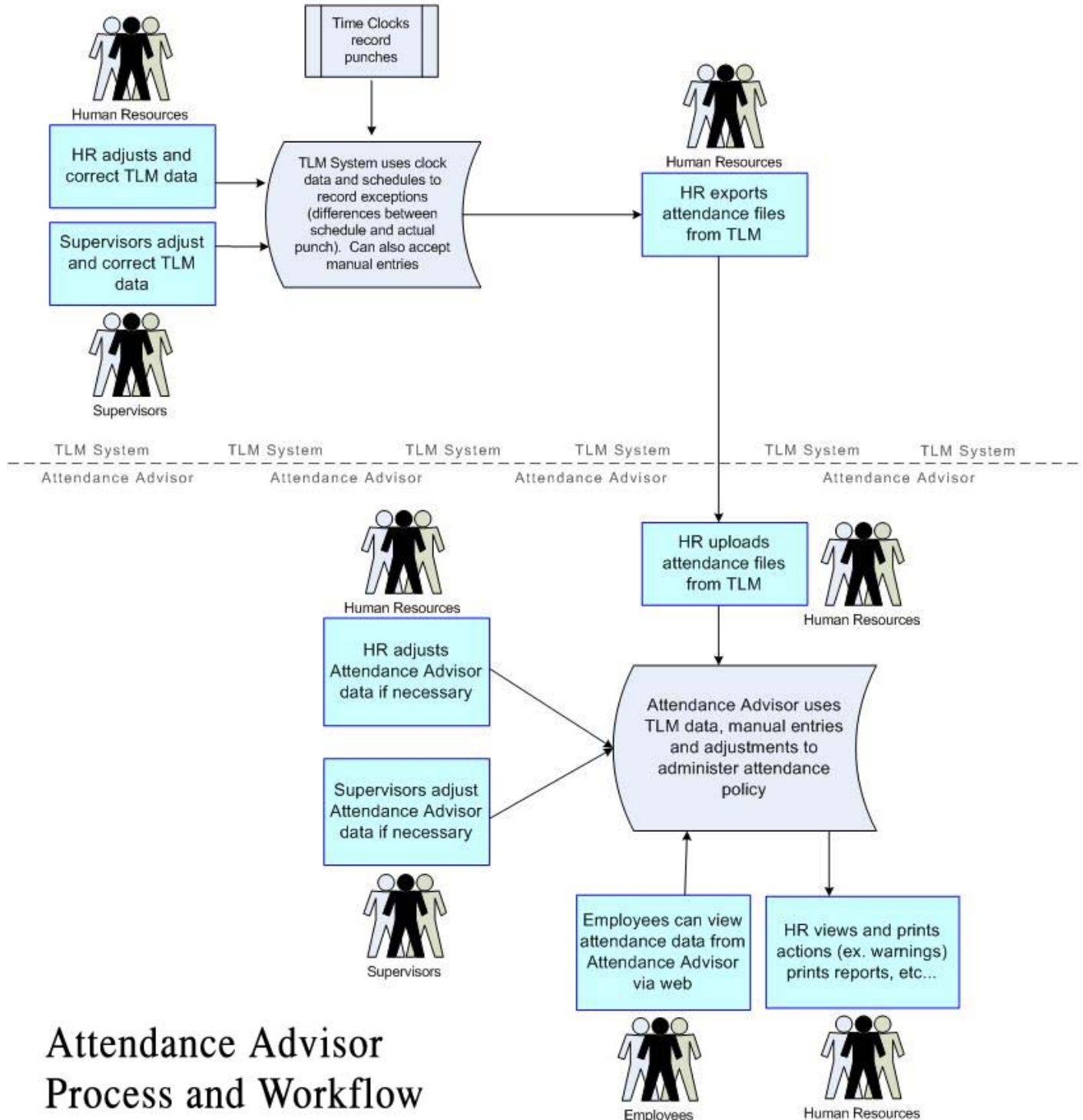
HR Manager, Beverage Company

- \$16,000 in HR manager's time manually collecting and tabulating data and assisting supervisors with attendance questions.
- \$45,000 in one supervisor's time monitoring attendance compliance.

**They began to experience an ROI in less than two months.**

**The following page documents the process and data flow of a sample attendance policy administration program.**

## Attendance Advisor Process and Work Flow



## Attendance Advisor Process and Workflow



## How Security Levels Should Work

- **All Administrator levels** can see all employees for their company.
- **Supervisors** can only see themselves, and any employees explicitly assigned to them using the Edit Supervisors Admin utility.
- **Employees** can only see themselves.

### Level 1 Administrator Functionality:

- Import/Process
- View, create and edit events
- View actions and modify action status
- Edit employee details
- Run reports
- Customize action document text
- Edit supervisor assignments
- Edit access levels for custom reports
- Change company home page greeting
- Edit company details
- Add new employees to the company

### Level 2 Administrator Functionality:

- Import/Process
- View, create and edit events
- View actions and modify action status
- Edit employee details
- Run reports

### Level 3 Administrator Functionality:

- View, create and edit events
- View actions and modify action status
- Edit employee details
- Run reports

### Supervisor Functionality:

- View, create and edit events of their employees
- View actions and modify action status of their employees
- Edit employee details of their employees
- Run reports that include their employees

### Employee Functionality:

- View their own employee details
- Run report on their own attendance record

## HR Managers Talk About Their Attendance Policy Systems

Regardless of industry, HR managers agree that automation saves time, increases productivity and improves accuracy. Relieved of a time consuming chore and no longer burdened with worry, human resources can focus on other responsibilities.

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*It administers the rules consistently and accurately... There's definite peace of mind."*

- Ohio – Precision Castparts Corp.

*"We save at least an hour daily, sometimes more depending on absences. Our monthly calculations previously took three hours with additional time for counseling. That's a timesaving of over 11 hours a week. The system provides accuracy, saves time and provides more timely discipline counselings. Through its capacity to automatically calculate attendance incidences, the system instantly generates counseling letters for disciplinary action.*

*"It administers the rules consistently and accurately; counseling is timely, employees are notified of their point status as it appears on their pay stub every week. There's definite peace of mind."*

- Ohio – Precision Castparts Corp.

*"Since the installment of the system, we save one hour daily with the elimination of double entry. Prior to the system, we had 10-15% attendance transgressions, now it's down to 5% containment and we anticipate it going down to zero percent. The system catches anything and everything. It holds managers and employees accountable to the policy.*

*"Including 'points' on pay stubs has saved us from potential employee grievances, financial loss or penalties. We estimate a savings of \$500 - \$1,500 from just one grievance occurrence. Three grievances were filed last year and if we'd had the system then, we could have saved \$500 - \$1,500 per person."*

- Kentucky – Buffalo Trace Distillery

## HR Managers Talk About Their Attendance Policy Systems

*“Our attendance policy administration program was able to take our very complex points system and automate it for us. We have saved countless hours of manual tracking. Whenever we modify our internal points system, the program developer modifies our program and gets the update to us in a hurry.”*

■ Ohio- CresCor

*“The attendance policy administration program has saved time. I do not miss the manual recording of the attendance. Attendance records are updated earlier than before. Therefore, the warnings are issued to employees sooner.*

*“I like everything about the attendance policy administration program. I would not want to ever go back to the old way.”*

■ Illinois- HCC, Inc.

## Conclusion

Whether summarizing attendance data in monthly reports or communicating status to employees, it's critical to get it right. HR managers must have accurate and real-time information at their fingertips. Otherwise, mistakes can lead to incorrect attendance bonus payments, missed or unnecessary disciplinary actions, and government or union penalties, not to mention reduced employee morale.

An automated and simple-to-use attendance policy administration program can help HR managers maximize time and minimize errors for effortless and accurate documentation.

Managers can realize a corporate resource savings - both monetary and labor within months of installation. As each HR manager experienced at her company, it's feasible to expect an ROI of 350% to over 600% in less than a year of installation. That translates to tens of thousands of dollars saved within a matter of months. Returns of this magnitude can end up as profits for companies.

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*Points North implements solutions that improve efficiency, accuracy and compliance.*

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