Managing Attendance with Points

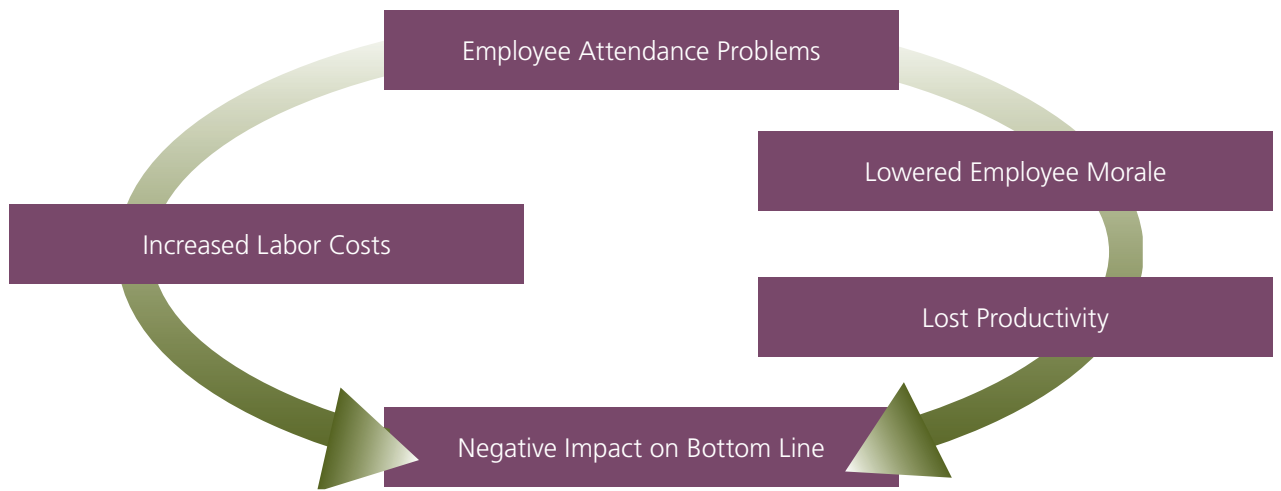## Reduce Absenteeism, Control Labor Costs and Improve Workforce Management

Summary

Organizations that face employee absenteeism and attendance issues can find their labor costs rising, worker morale suffering and productivity lost—all to the detriment of the company's bottom line. An effective way to deal with attendance problems is to implement a point system that rewards workers for positive attendance habits and identifies negative attendance trends. Implementing a point system through existing time and attendance software can be a simple and straightforward solution, offering organizations significant benefits including reduced labor costs and improved workforce management.

Attendance Issues = Productivity Problems

In today's market, organizations need to streamline operations to stay competitive, productive and viable. One of the most detrimental and frustrating trends many organizations face is employee attendance issues. Poor employee attendance and absenteeism impact organizations in three ways:

- Increase labor costs, including scheduling, staffing, training temporary help and overtime
- Lower morale, which contributes to overtime and turnover
- Reduce productivity, putting an organization's bottom line at risk

Employee Attendance Problems

Lowered Employee Morale

Increased Labor Costs

Lost Productivity

Negative Impact on Bottom Line

Fig. 1: Typical effects of employee attendance issues

What actions can companies facing employee attendance issues take to lower overall labor costs, maintain high productivity and high morale, and neutralize the potential for negative bottom line impact?

Managing Attendance with a Point System

One way to effectively deal with problematic attendance issues is to use a point system. Organizations can reward and discipline employees' attendance habits by assigning points for attendance infractions and deducting points for "good behavior." Among its other benefits, a point system addresses attendance issues on two levels: a personnel level and a management level.

On a personnel level, implementing a point system encourages employees to pay more attention to attendance rules and procedures in an effort to increase good behavior and reduce infractions. Employees need regular access or a periodic review of point balances so they can be aware of their attendance performance, especially if it shows improvement. Additionally, workers can be confident that every employee is treated fairly—that is, rewarded or disciplined according to the company's attendance policies—building employee-employer relations, trust and communication.

attendance®
ON DEMAND

On a management level, a point system records attendance activity, allowing supervisors to see the bigger picture: managers can identify attendance trends in their group, department or team, and reinforce positive behavior or appropriately discipline attendance problems. Over a period of time, a point system can build an employee's attendance history, which can contribute in part to an employee's performance review or professional development plan, if the organization chooses.

Easily Implementing a Point System

Even if a point system encourages better attendance, is it difficult to implement?

Not if the points are built into an existing, related workforce management system such as a time and attendance system. Technology has made it possible for both large and small organizations to employ a time and attendance system without the need for a significant equipment or software investment, making it a straight-forward choice for implementing a point system. Additionally, because time and attendance is directly related to the point system, it is an ideal fit.

Specifically, a time and attendance system will have a point module available either as a standard feature or an additional option. Because utilizing your time and attendance system's point module ensures complete integration with the rest of the timekeeping functions, this means it will also integrate with the system's reporting capabilities. The point module can be configured to reward conscientious employees for positive attendance habits and flag employees who need management intervention.

This system can be particularly useful for organizations with discipline and grievance processes that are strictly dictated by union rules or bargaining agreements. The equations that define the addition or subtraction of points can be very complex. Point systems must be highly configurable and programmed to enforce pay policies in a way that is fair, uniform and impartial.

Useful Features of Point Systems

There are four features that are most useful in a point system:

- *Is fully integrated with existing time and attendance software.* This means any related time or attendance activity automatically triggers the point system. For example, if an employee logs in late, a tardy point is automatically applied to his/her record. Time and attendance integration also allows managers to edit attendance events and run point balance reports with real-time information.

- *Is fully configurable.* It is imperative that a point module be configured to mirror the company's unique attendance policies. Your time and attendance vendor can configure your point module to your organization's specifications including determining point values for each type of attendance incident depending on the degree of severity. For instance, a company may assign one point for a late arrival and three points for a no-show. The module can also be configured to erase point balances on a specific day or time (e.g., once a year, once a quarter) resetting an employee's balance to zero.

- *Notifies managers of all events.* A point system that alerts managers when employees incur points for positive or negative events keeps the manager aware of employees' actions. Additionally, the manager needs to be able to enter comments or notes about a specific event, especially in the case of extenuating circumstances. If Sharon, a manager, receives a call from employee Tom that his child is sick and he'll be late to work that day, Sharon can note in Tom's profile that reads, "child sick—called ahead." Managers also need the ability to review or change employee points as necessary. Any manual adjustments by a manager are tracked by the system and can be reviewed at any time.

- *Allows customized reporting.* Managers will find it helpful if point systems run reports on customized timeframes such as daily, weekly, monthly, quarterly, annually or even over multiple years. The system also needs to offer quick access to attendance incident reports, point balances and year-to-date employee attendance histories.

These features will serve managers and employees alike in curbing problematic attendance issues.

Point System Benefits: Labor Costs & Workforce Management

How will a point system help an organization reduce its labor costs and better manage its personnel?

- *Reduces labor costs by lowering absenteeism.* A point system serves as a numerical representation of an employee's attendance habits. Many employees who focus on their attendance behaviors will want to improve by reducing late arrivals and absences, and these positive changes will be reflected in their point totals.

- *Reduces need to secure temporary help or pay overtime.* With a greater focus on reducing attendance issues, a company will require fewer temporary personnel and avoid overtime with employees who value positive attendance habits.

- *Fairly applies and enforces attendance policies.* Because the point system automatically tabulates an employee's point balance, the attendance system remains impartial throughout the organization.

- *Identifies attendance trends.* An employee or group of employees that continuously incurs attendance infractions can be easily identified for manager intervention.

- *Provides historical recordkeeping and reporting of employee attendance habits.* Organizations that wish to track attendance for performance review or professional development reasons can readily do so.

- *Encourages communication between managers and employees concerning attendance issues.* Employees are more likely to communicate extenuating circumstances with managers when they know their attendance is being monitored by the point system, helping managers gauge who is absent and why.

attendance®
ON DEMAND

Reduces Labor Costs

Helps curb absenteeism

Helps reduce need to secure temporary help or pay overtime

Improves Workforce Management

Fairly applies/enforces attendance policies

Identifies attendance trends

Provides historical records

Encourages communication between managers and employees

Fig. 2: Benefits of point systems to organizations

Conclusion

Attendance problems affect labor costs, morale and productivity of even the healthiest organization. Implementing a point system through existing time and attendance software can be a simple and straightforward way to track and report negative attendance trends and reinforce positive behaviors, helping to reduce labor costs and improve workforce management to the benefit of the organization's bottom line.

About Attendance on Demand, Inc.

Attendance on Demand supports the labor management needs of thousands of companies and more than a half million employees across North America. Launched in 2006, Attendance on Demand is a rapidly deployed, cloud-based solution that minimizes a company's risk and technology investment while providing advanced features for securely managing labor data—calculating pay rules, scheduling employees, budgeting labor, and automating recordkeeping for labor law compliance. With standard uptime over the industry average of 99.995% and above average customer retention rates, Attendance on Demand removes the worry of maintaining expensive infrastructure. An extensive North American distribution network helps organizations use Attendance on Demand to reduce labor expenses and improve decision-making.

attendance®
ON DEMAND

To find out how Attendance on Demand can help your organization, call 800-465-9980 or visit www.attendanceondemand.com