

The True Costs of Buddy Punching

Hotel Chain Improves Employee Time Tracking and Increases Payroll Accuracy

Lost revenue due to “buddy punching”—where one employee falsely clocks in for another at the start or end of a work shift—can be costly for a business. Yet when organizations automate the employee time and attendance process with a combination of advanced time and attendance solutions and biometric data collection devices, companies can report savings of up to 5% of total payroll costs.

Using automated time and attendance from InfoTronics, Inc., coupled with biometric technology from Ingersoll Rand Recognition Systems time clock, administrators eliminate the headaches of tracking employee time and attendance.

Improving Hospitality Operations

As an example, a regional hotel chain in the Midwestern U.S. recently cut the time spent processing employee time and attendance data, and reduced costly payroll errors. The potential for falsified timekeeping has been eliminated, since

biometric terminals verify people, not cards or tokens. Easy to read summary reports give management better control of departmental labor expenditures.

Key to these improvements is Attendance Enterprise Web-enabled time and attendance system from InfoTronics in use at each of the company’s hotels; and HandPunch® hand reader from Ingersoll Rand Recognition Systems

Previous Manual Methods

The privately-held hospitality company owns and operates 10 budget hotels in Missouri, Kansas, Iowa, Colorado, and Indiana. There are 350 employees who work in the hotels and at the corporate offices. Hotel staff members provide a variety of services such as front desk operations, reservations, housekeeping, food service, and maintenance.

When the hospitality company manually collected time and attendance, each employee hand-wrote start and end times on time cards. At the end of a two-week pay period, hotel supervisors manually tallied employee time and hourly rates. The hotel general manager then verified the figures, entered them in a spreadsheet, and faxed the pay period totals to the home office. Once corporate offices obtained spreadsheets from all 10 hotels, a payroll specialist checked the data and re-entered the information into a payroll system. Checks were then cut a few days later, and mailed back to the properties overnight.

Too Much Time, Too Many Errors

According to the company, managers were concerned with the amount of time the manual procedures took. Supervisors spent most of Sunday tallying paper time cards, which took them away from other duties. Likewise, the general managers spent several hours totaling the figures each pay period. It was time-consuming at the corporate offices—taking the payroll specialist over 16 hours each pay period from the time the 10 faxes came in to the printing of the checks.

Duplicate data-entry was also a problem. The same information was compiled at least three times at the end of a

In	Out	In	Out	Hours	Schedule	Exceptions
11/14/05	8:12	16:55		8.00	8:15/16:45	
11/15/05	8:12	16:55		8.00	8:15/16:45	
11/16/05	8:12	22:00		13.25	8:15/16:45	Left Late, Over Sch.
11/16/05				3.00		Overtime 1
11/16/05				1.00		Overtime 1
11/17/05	8:12			0.00	8:15/16:45	
11/18/05						

Totals for 11/16/05				Period Totals			
PD	LOC-DEPT-SFT	Hours	Dollars	PD	LOC-DEPT-SFT	Hours	Dollars
RG1	L1-VALET-S2	8.00	4,500.00	RG1	L1-VALET-S2	24.00	108,000.00
OW1	L1-CASHIE-S2	5.25	6,750.00	OW1	L1-CASHIE-S2	5.25	35,440.00
OW1	L1-VALET-S2	1.00	6,750.00	OW1	L1-VALET-S2	1.00	6,750.00
DB1	L1-VALET-S2	3.00	4,500.00	DB1	L1-VALET-S2	3.00	13,500.00

Attendance Enterprise from InfoTronics, Inc. instantly shows real-time employee labor and wage information.



pay period. A missed keystroke or an incorrect figure entered on a calculator could easily throw off totals.

The potential for falsified timekeeping was another concern. Many employees work unsupervised overnight shifts, and management was aware that some employees could enter times that were greater than actually worked. It was also reported that employees “buddy punched” for each other.

Searching for a Better Way

To address these issues, managers selected Attendance Enterprise, a Web-enabled employee time and attendance system from InfoTronics, Inc., in Farmington Hills, Mich. They liked the fact that the system could be modified to handle unique pay rules to reflect the company’s payroll policies such as room cleaning bonuses, overtime, holidays, and other unique rules.

The company also selected HandPunch® hand reader from Ingersoll Rand Recognition Systems and installed the devices in multiple locations.

An Improved Process

Now, at the beginning of each shift, employees place their hand under the HandPunch data collection device located in a common area at each hotel, which recognizes the employee’s hand to process start and end times. The system regularly collects these times, and compares them to schedules stored in the system. Attendance Enterprise tracks employee hours and calculates gross pay with unique payroll practices, automatically assigning any premium pay.

Supervisors make edits to the electronic time card with a click of a button, instantly adding a forgotten punch. Edits are recalculated immediately, displaying accurate totals. Pay period totals are then automatically exported to the corporate office where they are checked and interfaced electronically for paycheck processing.

New Methods Bring Benefits

No longer do supervisors prepare or collect time cards each pay period, nor do they spend time re-entering totals into a calculator. Managers no longer chase down missed punches or recheck for errors. Instead, they can monitor the on-line time cards in just minutes a day—freeing them for more meaningful tasks.

Assigning premium pay is also done more quickly and

the payroll specialist no longer re-enters the totals since the system automatically creates a file for payroll processing. This cuts the time to a few hours to process and print checks each pay period—instead of the previous 16 hours.

Falsified timekeeping is a thing of the past due to the biometric data collection devices.

Improved Reporting

The Attendance Enterprise archive function is also a real benefit. State labor boards often perform wage audits going back two to three years, and with the manual time cards and spreadsheets it took days to provide summary wage data. Now, Attendance Enterprise automatically generates summary wage records for any specified time period or location.

All told, this hospitality company dramatically reduced the effort of tabulating pay period totals while increasing the accuracy of payroll. Hotel supervisors and managers are freed from mundane duplicate data entry, and concentrate on more meaningful tasks such as customer service. The HandPunch® hand reader from Ingersoll Rand Recognition Systems also helps control labor costs—a significant achievement given that cost of labor is the largest expense faced by the company.

For more information, contact InfoTronics, Inc. at (800) 423-0418 or www.infotronics.com, or visit Ingersoll Rand Recognition Systems at (888) 737-6659 or www.handreader.com.



The hotel installed HandPunch hand readers from Ingersoll Rand Recognition Systems throughout the properties.