

Automated Workforce Management: Protecting Your Company from Wage & Hour Lawsuits

How proactive has your organization been in managing labor costs and protecting itself from employee wage and hour lawsuits?

There are two major labor related law suits: one initiated by the Department of Labor, and another initiated by disgruntled employees.

“All it takes is one disgruntled employee to start a million dollar class action lawsuit,” according to Ursula R. Kubal, a prominent employment law attorney with leading labor and employment law firm, Carlton DiSante & Freudenberger LLP in Orange County, California.

Over the last few years employees have filed a record number of lawsuits in California against employers trying to collect back wages, claiming they were improperly paid. If an employer does not have records for their hourly employees, whatever records an employee has are acceptable. It is up to the employer to prove the employees wrong.

“In an environment where plaintiff’s lawyers are targeting employees through television/radio ads, direct mailing, and even harassing telephone calls, companies need to be more informed on employment laws and how to properly protect themselves than ever before,” says Kubal.

Keeping Proper Records

One of the most important ways for a company to protect itself from wage and hour lawsuits and be more proactive managing its labor costs, is through proper record keeping. If records are not accessible and accurate, producing the necessary documentation to protect the organization is hard to do. In a number of wage and hour lawsuits where the employer could not produce accurate records the employees were awarded millions of dollars in back wages.

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Processing this critical data manually, as so many companies do, is error prone, complicated, time consuming, and difficult to manage. Not addressing this challenge leaves an organization vulnerable to massive cost overages and unable to properly protect and defend itself from labor litigation.

Automated Time & Attendance

The American Payroll Association reports that manual calculations of employee work hours typically result in thousands of dollars in lost profits over the course of a year. When you add in the cost of defending and potentially losing a wage and hour lawsuit, loss in

profits can total in the millions. The solution many companies have turned to is an automated time and attendance system.

Automated solutions have become an indispensable tool for a wide variety of organizations, big and small. Not only can an automated system easily and cost effectively eliminate the error prone task of manually calculating employees worked time but it offers a host of other benefits, such as identifying the labor costs of specific jobs and functions within an organization, making it easier to determine pricing for goods and services.

While the ramifications of not incorporating an automated time and attendance solution may be clear, the definition of what exactly is “Time and Attendance” remains somewhat of a mystery for many. In short, time and attendance normally refers to solutions that helps collect, monitor, and control employee labor expenses.

Whether your company has five employees or 5,000 employees, with the right choice and proper implementation, automated time and attendance systems can quickly become one of your company’s strongest measures for proactively managing labor costs, handling wage and hour lawsuits, and maximizing profit.

For more information on NOVAtime and how a time and attendance solution can benefit your company call 877.486.6682 or email sales@novatime.net. You can visit NOVAtime online at www.novatime.com.