

Biometric attendance system and its impact on the employees and the efficiency of an organization



MARKETPLACE
TECHNOLOGIES

Market Place Technologies

a subsidiary of Bombay Stock Exchange (BSE)

Study Conducted by:
Students of IIM Bangalore



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Executive Summary

Since late 2008, Market Place Technologies has introduced Innoviti's Biometric Attendance System to mark the attendance of its employees at their premises. This report is based on the study conducted in the Mumbai office of Market Place. In this case study, we describe the use of biometric attendance system and its impact on the employees and the efficiency of Market Place. The study reveals that biometric attendance system has resulted in greater transparency and accuracy in attendance record keeping and tabulation, as well as reduced operating costs,. In addition there are better and improved measures for controlling risk and fraud at Market Place.

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ABOUT MARKET PLACE

Market Place Technologies, a subsidiary of Bombay Stock Exchange (BSE), is a leading provider of cutting edge IT solutions with focus on Exchange Traded Equities, Derivatives & Commodities markets in India.

Founded and managed by a team of professionals, Market Place has been instrumental in setting up and operating India's largest stock exchange. The Market Place Technologies team is also considered to be the pioneer in introducing exchange traded financial derivatives trading in Indian marketplace. Being pioneers in developing browser based solution for Broker Back office operations in India Market Place Technologies are the top Broker Back Office software providers in the country. Market Place Technologies is among the few companies in its space, following stringent quality and information security standards on the shoulders of its 85 employees.

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INTRODUCTION

Many companies are working in the service industry where the primary resources are human beings, not machines. To optimize their utilization, it is very important to have an accurate report of the actual working hours logged by all employees. Traditionally employed, manual attendance record-keeping has not yielded good results in such companies. Even some level of automation in the form of *Smart Cards* has given only marginal improvements.

One solution which looks to be the most promising is the use of biometric attendance system. Market Place has introduced and implemented this system using Innoviti's biometric attendance terminals. It offers the following advantages over traditional forms of attendance system, such as:

The use of finger prints' scanning ensures that it is virtually impossible to have a proxy attendance. In contrast, it is possible to generate proxy swap cards.

Biometric attendance systems may also be used in areas with limited connectivity (if employees are working in such locations)

Biometric attendance systems ensure that the employees are physically present at the time transactions are processed thus preventing any misuse/fraud

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USEFULLNESS OF BIOMETRIC ATTENDANCE SYSTEM



Need for Biometric Attendance System

Since Market Place is a service based company providing back office support to clients, the accurate tracking of working hours of the employees becomes very important. For this purpose, it is essential to have a proper attendance system in place.

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USEFULLNESS OF BIOMETRIC ATTENDANCE SYSTEM

Earlier, Market Place Technologies used to follow a muster attendance system (manual register). In this system, every employee had to sign in a register both while coming in and leaving the office. This was a great hassle for the employees. Moreover, it was a bigger problem for the company to track the total number of working hours per employee. Market Place considered adopting the use of swap cards in order to gain some control over this problem. However, later they realized that due to the generation of proxy cards, this option would not really help them to gather the requisite data. They thus moved onto the finger print based biometric attendance system offered by Innoviti.

Now:

It has helped them to keep track of attendance and accurately account for the total working hours of all their employees. This system has also enabled them to easily generate the analysis reports for early going, late coming, extra working hours and leave report for each employee. This has proved to be a fool-proof system compared to their previous one by eliminating both the possibility of proxy attendance as well as the need for unnecessary additional overtime expenditure.

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USEFULLNESS OF BIOMETRIC ATTENDANCE SYSTEM

Other Benefits:

The biometric fingerprint system identifies each employee in less than a second.

The system is very easy to configure. Administration can easily activate the system for new joiners, and similarly, deactivate it for ex-employees once they have left them.

Data related to employees' clocking in and out is transmitted to their respective timesheets in real time.

Initial Challenges:

Initially, employees in the company were not too happy with the new system. This was particularly true for those who were misusing the manual attendance system as they felt restricted. To demonstrate their resentment, they sometimes deliberately refrained from marking their attendance through the finger print based biometric attendance system. To resolve this, Market Place decided to directly deduct leave from their annual leave allowance for that particular day to make them understand that such behavior would not be tolerated.

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USEFULLNESS OF BIOMETRIC ATTENDANCE SYSTEM



Impact on employees/company:

Market Place employees are now far more punctual in their attendance than before. Before the new system was implemented, employees used to leave early on Saturdays. However, now they are required to be present for the entire day, or to apply for leave. The employees who have always been punctual are particularly happy with this system, and are of the opinion that it should have been adopted earlier. Market place is able to generate transparent and accurate reports covering the early going, late coming, total working hours, leave report, daily attendance, holiday list etc. for each employee. This has helped them in generating more accurate billing reports, and thus conducting their work in a more professional and organized manner.

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USEFULLNESS OF BIOMETRIC ATTENDANCE SYSTEM



Impact on efficiency

Market Place now has an accurate report of the actual number of hours that its employees have worked for. This has led to a saving of approximately 8 – 12 hours per employee per year. Considering the average to be 10 hours per employee per year, the total resultant saving is 850 man-hours per year for the 85 employees' strong Market Place, which works out to approximately 4.25 man-months annually. Since Market Place has an accurate report of the actual number of working hours logged by each employee, it may use the same to allocate the resources judiciously for different tasks. They can, thereby, achieve higher levels of efficiency using the same number of employees, and thus boost their revenues without increasing the required costs. This would not only help in increasing their overall profits, but would also keep their clients happy.

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CONCLUSION

Hence, the benefits of using Innoviti's state of the art Biometric attendance system shown in the figure below:

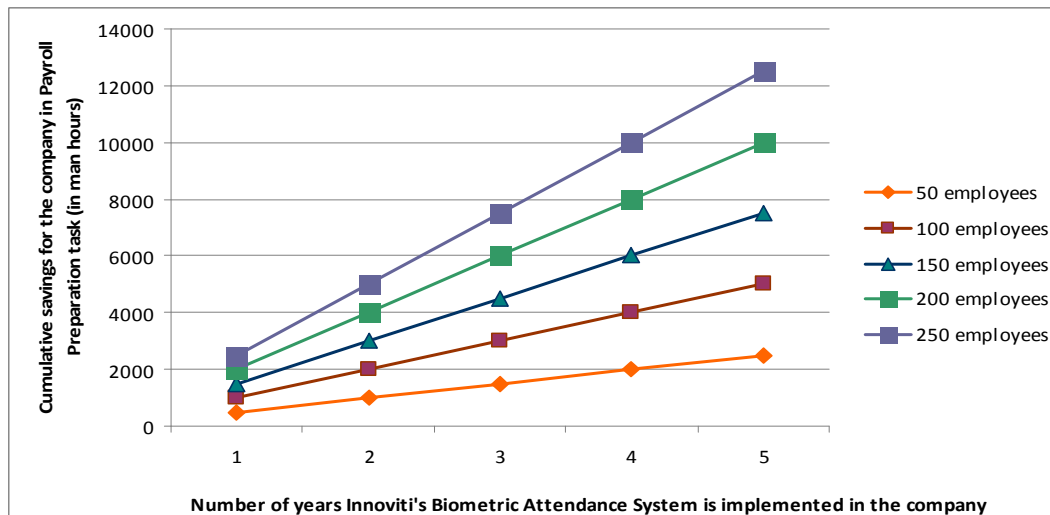
- Very quick fingerprint identification of employees
- Reduction of discrepancies between actual time worked and time reported
- Reduction of instances of proxy attendance and other malpractice
- Elimination of costs related to issuance and management of Smart Cards and ID badges
- Elimination of unnecessary overtime and associated costs
- Increased transparency and efficiency resulting in reduction of costs
- Easy to configure system and tabulate data
- Better use of available resources and manpower

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The use of biometric attendance system by Market Place technologies sets a good example for other companies facing issues in tracking attendance for their employees. The chart below shows the number of man hours that can be saved in the Payroll Preparation task by implementing Innoviti's Biometric Attendance System in companies similar to Market Place with different staff sizes.



The biometric attendance system has resulted in greater speed, efficiency, transparency and accuracy in attendance report generation for Market Place along with reducing the number of instances of fraud and misuse. Overall the study proves that the system has enabled effective and efficient resource management at Market Place.

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Innoviti Embedded Solutions is a leading provider of information and commerce solutions for the retail and financial services market. It has won several awards for its products, including the Best Consumer Electronics Product Award, Red Herring 100 Asia and CTIA Wireless. To learn more about Innoviti, visit www.innoviti.com

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