Time Valuation

Basic features of time valuation

In addition to the general reporting used to evaluate time data there is also a need in time recording of attendance as well as in special forms of time recording of deviations to carry out further processing of time data. The diverse requirements placed on such processing are fulfilled in HR through an extensive control scheme utilizing parameter and rule tables.

In contrast to conventional programming, **Time Management** stores its complete control logic in tables. This enables you to store the special features specific to your own company anywhere within the valuation.

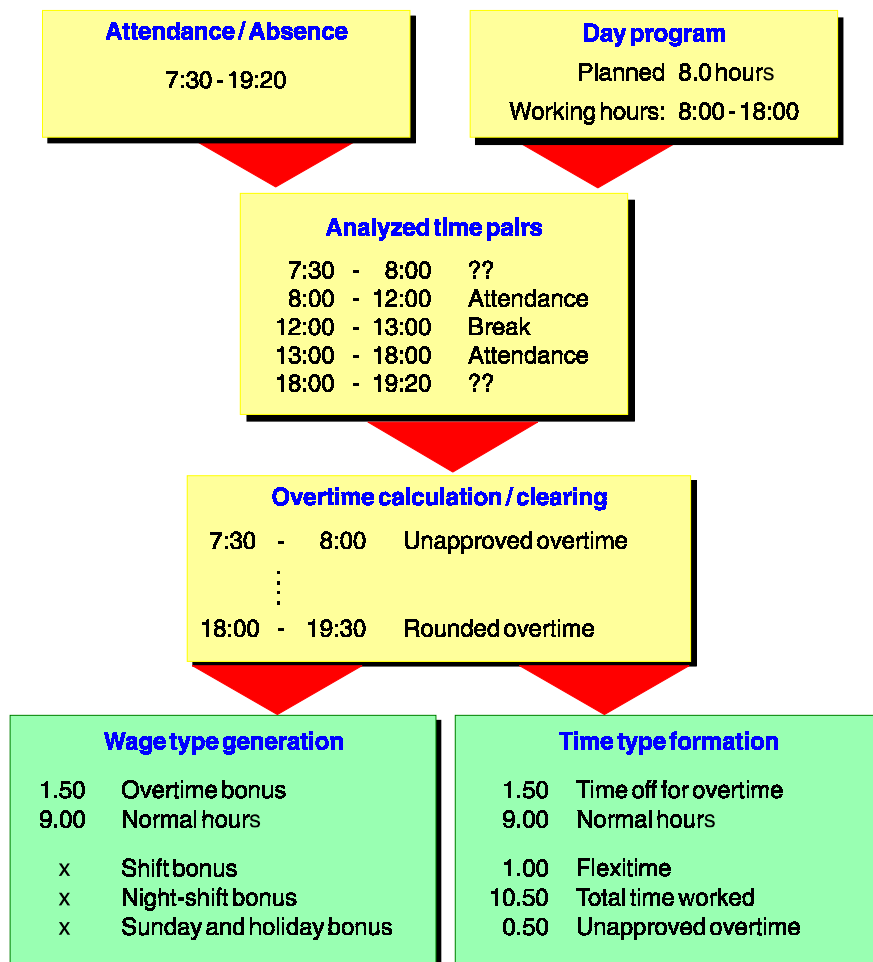The principle procedure used in the valuation of time data is as follows:

Figure 9-1: Time valuation principle

Time valuation principle

First of all, an employee's attendance or absence time on some day is analyzed using the preset values in the relevant shift schedule as a basis. This produces "split up" time pairs to which time types are assigned based on a parameter table. Next, if any overtime exists for the employee, it is examined and, depending on the approval procedure and clearing option chosen, the time pairs are refined even further.

These steps are stored completely in a rule table. This gives you the possibility of interrupting the processing anywhere and then performing any necessary special procedures on time pairs by only changing table entries.

Using these time pairs as a basis, the system next forms time types and generates wage types to be passed on for further compensation purposes. You can even incorporate your company's requirements into the user-defined rule controls for the formation and linking of wage types and time balances.

These extremely flexible customizing possibilities also guarantee that an extension of the system can be made by simply adding table entries when new, future regulations arise - which will certainly come because of the increased flexibility of work time.

The time valuation program can be run one or more times daily, or even at greater intervals, depending on your needs. It allows both batch and online operation.

Additional features

❑ Evaluation of attendance times considering all shift schedule standard values and the other data available in HR on the employee for time recording of deviations and attendance.

Evaluation

If you implement other SAP components, direct integration is also provided. If the SAP component Cost Accounting is active, cost center validations are performed directly using the cost accounting file.

❑ Formation of time pairs from individual times entered

Processing time events

The time events recorded on a terminal are first used to create time pairs. During this procedure, record types for clock-in and -out entries, for business errand entries, and also for other absences (with absence codes) are taken into account.

If entries are missing (e.g. if an employee goes on an errand without returning to the company afterwards), you have the following choices for each situation and for different employee groups

❍ delimit the open pair (with different time points from the day program)

❍ and/or write an error or message for the employee to the time clerk / agent for eventual further processing.

It is also possible to round values according to different rules (e.g. 3-minute intervals, rounding up/down to next full quarter hour).

❑ Calculating time balances without limitation in number

Formation of time balances

One of the most important tasks of time valuation is to compute time balances from an employee's existing data. First the system creates individual time types from an employee's attendance and absence periods on one day. Such time types are then used to produce time balances.

These time types and balances are stored on the database (in compressed form) for each day. This makes it possible for you to view data for one week or any time period you define, e.g. for flexitime cut-offs or creating overviews. User-defined rule control allows you to link individual time types without any problems (e.g. to transfer approved overtime to flexitime at the end of the month or to pay off an employee's time-off credits after 3 months).

Input screens are available for individual transfers or corrections.

Special procedures for employees with individual work contracts, e.g. part-time workers or employees with annual work time contracts, are also possible just like different variants for computing home-to-office time.
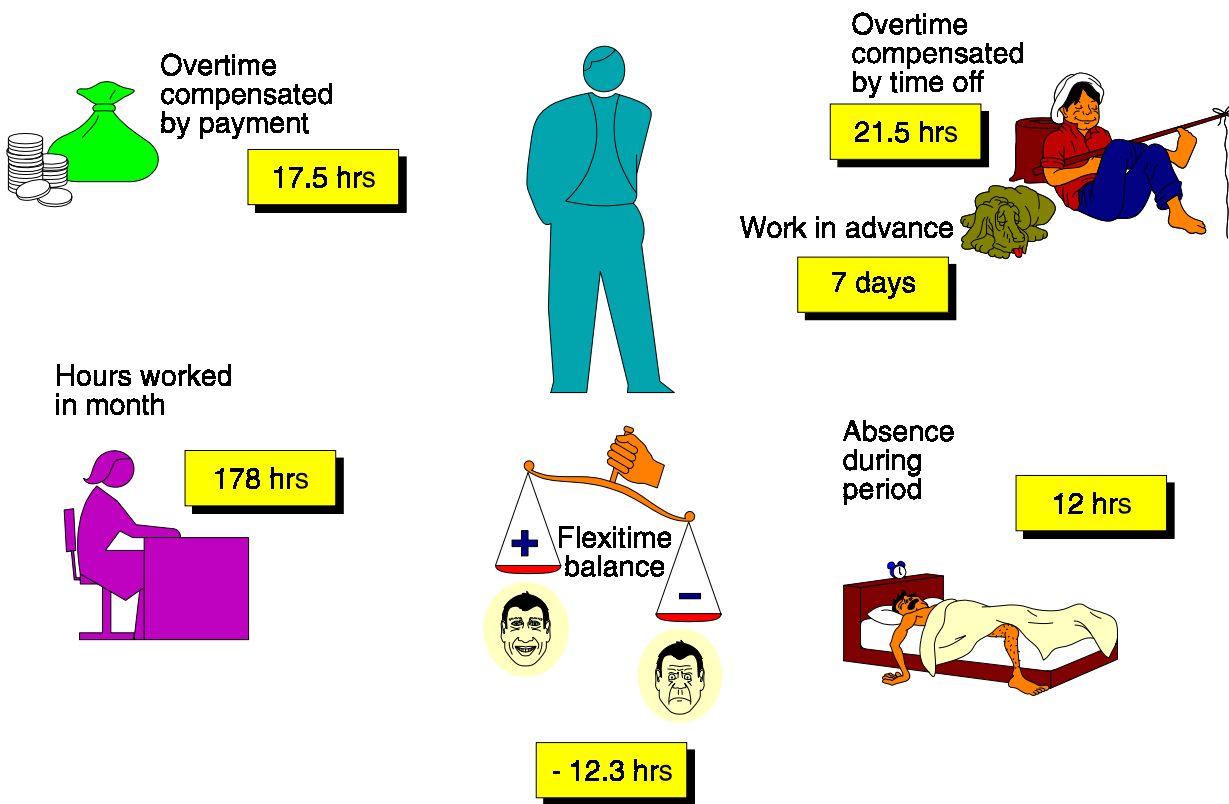
Figure 9-2: Managing time balances

Handling overtime

❑   Different variants of determining and compensating overtime

The solution that is used often allocates times that fall outside of the time intervals authorized by the shift schedule standard values to a separate account. Once a specified period (usually a week or month) has ended, these times are manually cumulated and posted as overtime and thereby made available to payroll processing. This type of processing normally costs a great deal of time and effort.

An option was therefore introduced, allowing you to work with overtime approvals that are assigned either in advance or after the fact. This immediately recognizes and directly clears work time that occurs within the scope of overtime approvals and meets the other conditions set by a company.

Approval of overtime

Overtime approvals can be assigned:

❍   generally for certain employees or employee groups

❍   individually for each employee via a particular specification of

☆   the validity period (from/to dates)

☆   the time period (from/to times, and/or before or after work time)

☆   the number of hours approved

Payment can be made through various compensation codes, for example:

    ❍   full payment

    ❍   payment of bonuses, time off for basic hours

    ❍   full compensation in the form of time-off credits

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│            Philadelphia        Payscale Staff        SSN    039-83-0282 │
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│            └──────────┘  └──────────┘                             │
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Figure 9-3: Overtime approval

❑   Automatic generation of wage types for payroll

    Attendance and absence periods are used to generate wage types for payroll accounting via a parameter table, which contains pay scale and company-specific definitions of pay rates. Here we are concerned with data relevant to compensation, such as compensation for overtime or the determination of bonuses for holidays, night and Sunday shifts.

    Time valuation and compensation valuation are closely related because collective and shop agreements do not allow for any natural separation. The payroll program therefore takes advantage of time management results. Interfaces have also been developed for third-party payroll systems.

Integration with HR Payroll
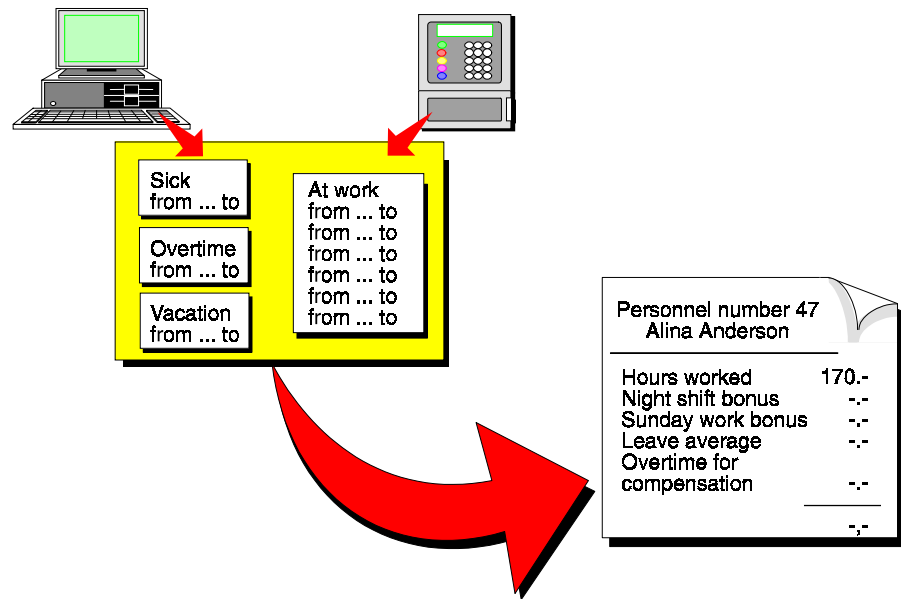
Figure 9-4: Automatic wage type generation

Automatic recalculation for retroactive changes

❑ Unlimited automatic recalculation of results if changes are made that affect the past

As described in Chapter 5 on time data recording, if some entry for the past was forgotten or incorrect, you merely change the data on the original data entry screen. The system automatically recognizes whether and to what extent the valuation must be recalculated.

When HR Payroll is implemented, the system performs recalculation recognition and processing in parallel.

Employee statement

❑ User-definable time statement for employees via form tables

Overview lists

Time type overviews of, for example, your employees' flexitime, overtime, or work performed in advance are likewise possible using easily adjusted table settings.

Integration with Cost Accounting

❑ Transfer of cost distribution information to payroll

You can enter cost distribution information

❍ directly during time data input

❍ via follow-up distribution of the calculated work time to cost centers, work orders, or projects

❍ in accordance with the 'exception principle'. Here the times involved are normally posted to the cost center defined in Personnel Administration. This general distribution can be changed for individual cases via a screen entry.

The accrued hours can be transferred directly to the cost accounting system during data entry (or immediately afterward). In addition, the

time wage types determined contain this cost information, so an update of actual costs can also be performed within the framework of payroll.

❑ Interactive processing of the daily log during time recording by the time data clerk / agent

Errors or messages can be created anywhere in the valuation procedure for eventual follow-up processing to be performed by the responsible time data clerk. This allows the clerk (or on-site time data agent) to call up a daily log on the screen and carry out the appropriate system-guided corrections without leaving the log.

Clarification of existing problems by time clerk

Figure 9-5: Overview screen of error processing

What are the advantages of using Time Valuation?

❑ Evaluation of attendance times considering the shift schedule
❑ Calculating time balances without limitations
❑ Offering different variants of determing and compensating overtime
❑ Automatic generation and recalculation of results
❑ User-definable time statements
❑ Transfer of Cost Distribution information to Payroll
❑ Interactive processing of the daily log during time recording by the time data clerk