TeamWherx™

GUIDE:
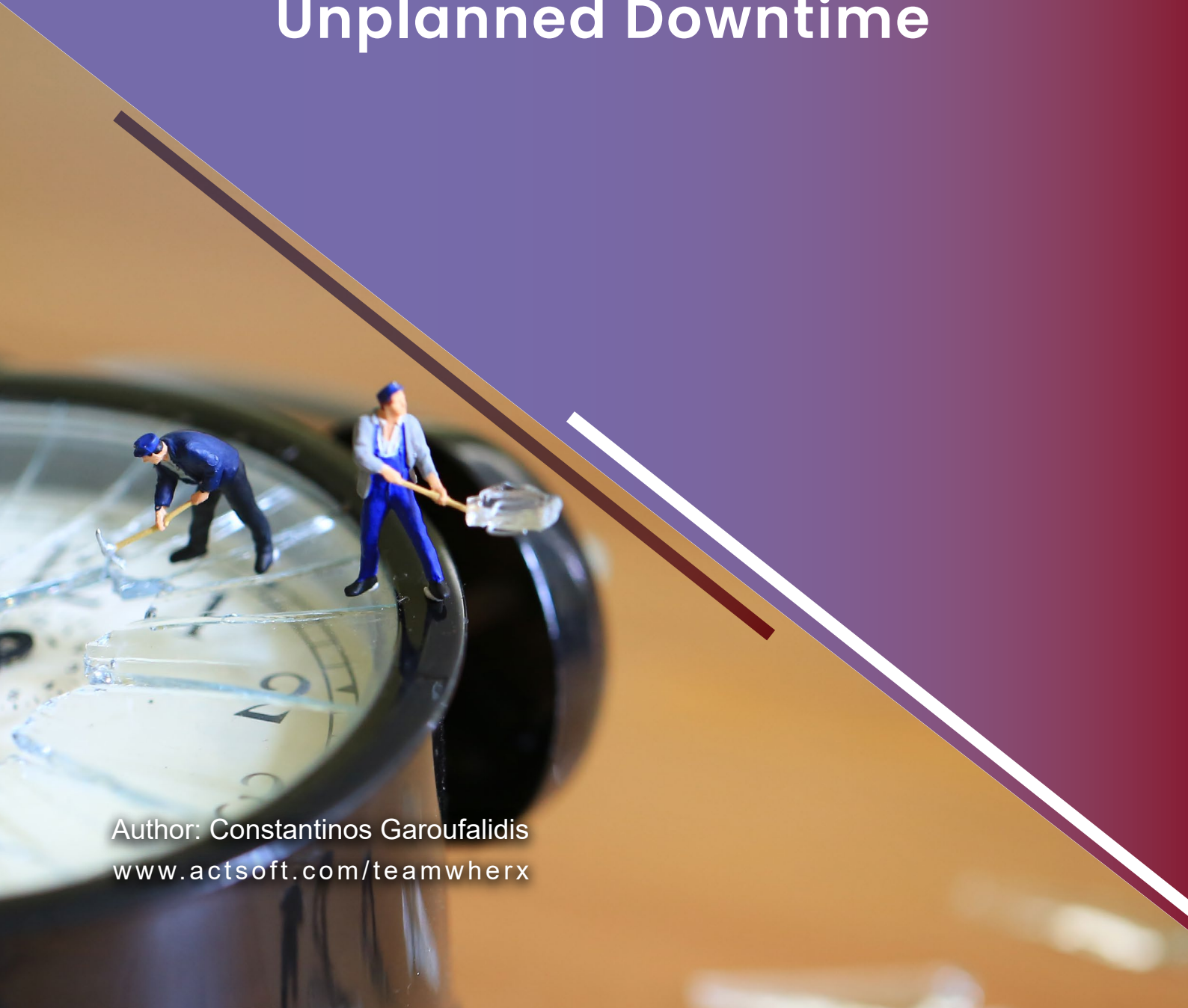## How to Minimize the Costs of Time Theft and Unplanned Downtime

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Why Minimizing Time Theft is Critical to Your Business

For businesses everywhere, it is critical to make sure employees and assets alike are yielding the best return on investment to help foster long-term growth and healthy financial standing. However, in today's digital and remote working age, it is quite common for employees and contractors to exaggerate their hours worked at home or in the field, which leads to detrimental impacts on the well-being of the company. Here are a few ways to minimize the costs of time theft and unplanned downtime, how you can make your workforce more accountable and reliable, and what the benefits of these practices mean for your business.

What is Time Theft?

Time theft occurs when an employee misrepresents the number of hours worked and gets paid for work not done or time not committed to "actually" working.

Benefits of Reducing Time Theft and Unplanned Downtime

Keeping the members of your workforce accountable with their timesheet representation increases the chances your business gains a high ROI on your employees. It enables your business to operate at maximum capacity and in turn, provide better services to customers while optimizing operations internally as well. By keeping your remote or mobile workforce accountable and reducing the risk of time theft, your company increases profitability and positions itself for long-term growth with reliable workers in your ranks, and with cost-effective customer services that keep you within budget.
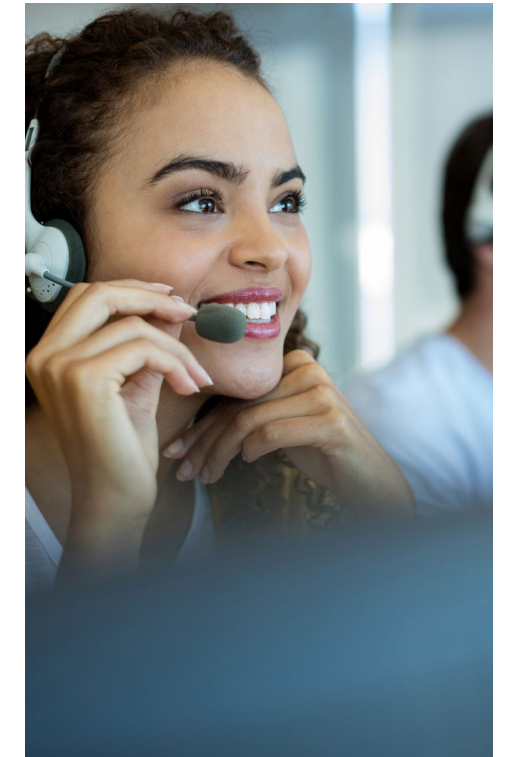
In addition to these benefits, reducing time theft also means there is a lower risk of unethical practices within your workforce and lowers company liability as well. Knowing the members of your team are acting responsibly and safely remotely or in the field protects your business from unnecessary risks and fosters a positive company culture which in turn can be used to market towards positive customer experiences.

Impact of Time Theft and Unplanned Downtime

For every benefit of reducing time theft and unplanned downtime there is a seemingly corresponding negative impact for your business when it is not addressed or given a solution for. Lowered profitability is the most blatant negative impact since your company is paying someone for work that is not getting done in return. Data from Software Advice shows time theft costs companies $400 billion annually in lost productivity. For every instance of time theft or unplanned downtime there is a potential customer that is not being gained or sometimes even lost, and there are dollar signs going down the drain that could be used for other areas of your business or to further boost your workforce.

Three Ways to Reduce Time Theft and Unplanned Downtime

Let's go over some practical ways to reduce common time theft methods within your business so your company can experience the benefits of an accountable, efficient workforce.

✓ Implementing an Automated Time Tracking Solution

Some of the most common methods of time theft are "buddy punching", unauthorized/extended breaks, and falsified time punches. An automated time tracking solution reduces the risks of all those methods being used by employees and is the most hands-on, practical approach to reducing time theft and unplanned downtime. Business operators have more control over how their employees clock their time, gaining all kinds of flexibility like setting limits on when an employee can start their day, monitor cases of extended overtime, and eliminate the possibility of a co-worker or friend clocking in or out on behalf of another worker.

✓ Reinforcing Appropriate Behaviors in the Company Culture

Executives setting good examples of time management can in turn incentivize workers to not feel the need to misrepresent their time. A healthy, supportive company culture makes for a happier workforce which will lower the risk of time theft occurring. Increased morale for employees can come from several sources, such as rewarding workers with a half day or early release and keeping turnover at the company low fosters a culture built on trust and honesty that goes a long way in the day-to-day operations of your business and its workers.

✓ Updating Protocols, Procedures, and Disciplinary Actions

Simply keeping your workforce up to date on the latest time management rules to follow within the business can go a long way and staying true and consistent with disciplinary action you deem fit will play a role in reducing time theft habits within your workforce. Letting employees "get away with" time theft and excessive downtime means other employees will take advantage of it as well, and that mindset will spread to many parts of the business which will harm operations. Staying proactive and having clearly communicated measures in place for dealing with time theft instances will keep employees acting accountably.

How to Measure Time Theft's Impact on Productivity and Profitability

Time theft and excessive downtime are more prevalent than ever with today's shift in workspace accommodations. More remote and field workers mean a higher risk of these issues taking place. Consider some statistics that exemplify the widespread culture of company time theft:

- The American Payroll Association estimates the average employee steals over 4 hours a week of company time.

- 43% of hourly workers surveyed admit to exaggerating the amount of time they work during their shifts and one-quarter of respondents say they report more hours than they actually worked 76 to 100 percent of the time according to a study by Software Advice.

- Another study by Robert Half, Chairman of Robert Half International in New York, showed that workers waste time in a variety of ways, including arriving late and leaving early, socializing on the job, spending work time conducting personal business, faking illness and misusing sick leave; indulging in long lunches and coffee breaks, working at a slow pace to force overtime situations, and sleeping on the job.

Measuring the impact time theft can have on your company comes ultimately in two ways; a practical approach to tracking employee time habits with technology software and data, and an intangible approach to fostering a healthier, more transparent company culture that yields more accountable workers. Taking the necessary steps to curb time theft and unplanned downtime means your business can make more money per employee, provide more efficient services to customers, and position the company for long-term growth.

Learn more about how our platform can help you reduce time theft and increase accountability in your workforce at www.actsoft.com/teamwherx.

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