

HR Insights

Brought to you by the insurance professionals at
Hausmann-Johnson Insurance & The Benefit Services Group, Inc.

Preventing Remote Work Time Theft

Time theft in the workplace is a common and expensive problem across industries. And, if not addressed, it can cost employers time, money and customers. In fact, the American Payroll Association found that 75% of businesses in the United States are affected by time theft every year. Another study estimates that time theft costs U.S. employers more than \$400 billion per year in lost productivity.

When employees are working remotely, it's harder to detect and prevent all types of fraud. This article explores the risk of time theft and explains how to prevent time or schedule abuse among remote employees.

What Is Time Theft?

Time theft is when an employee accepts pay from their employer for work that they have not actually done, or for time they have not actually put into their work. Simply put, it's an employee using company time to conduct personal business.

The honor system is used by many remote employees for meeting or logging their work hours. While most employees are honest, some might be tempted to take advantage of the reduced oversight while working from home.

A variety of behaviors qualify as time theft. For example, an employee may log in to work but watch TV, read a book or do household chores instead. They may also run errands during work hours without making up the time, take frequent breaks, or simply log more hours than they actually spent working.

Signs of Time Theft

There are many ways that employees may get paid for work they didn't do, so it's important for employers and managers to be aware of warning signs. Every situation will be different based on the employee and type of work, but here are some examples of red flags to watch for:

- An employee is often not responding to emails, chats or calls during regular business hours for long stretches.
- An employee is often not available or late for calls or videoconference meetings.
- An employee is late with work assignments.
- An employee is going out of town without seeking prior approval.

Keep in mind how responsive employees are not just to coworkers and managers, but to customers, if applicable. It's important for employers to keep the lines of communication open with all stakeholders—inside and outside of the organization—to keep a pulse on overall employee responsiveness.

Prevention Strategies

Time theft leads to lower productivity, which in turn leads to financial losses for the organization. Fortunately, there are steps that organizations can take to mitigate the risk of workplace time theft. Consider the following strategies:

- **Establish rules and expectations**—It's critical to address time theft in company



policies and clearly define behaviors and consequences. It's best to measure performance on benchmarks, so ensure policies clarify what conduct is not acceptable. Policies should also address workweek hours and availability. If employees have access to confidential or sensitive information, consider outlining approved remote working locations. Remote employees should sign telecommuting guidelines and expectations as well. If those policies don't exist, then it's important to put employee guidelines in writing.

- **Check in regularly**—Managers should regularly check in with remote employees, asking what they're working on and how they're feeling. If there are already standing meetings on the calendar, managers should stick to them and use them as additional ways to check on how employees are doing.
- **Keep employees engaged**—Support employees through both challenges and successes. It's important to reward a job well done and recognize employees publicly. That'll serve as a friendly reminder to all employees that their performance matters and makes a difference to the organization. When employees feel appreciated, they are often more motivated and committed to working hard.
- **Provide productivity resources**—Employers should consider offering virtual time-management training or workshops, or simply ask employees to informally share their favorite productivity hacks with coworkers.
- **Use tracking software, as needed**—Depending on the nature of work, it might be appropriate to use time-tracking or monitoring software to keep tabs on employees. As a last resort, GPS location tracking and IP address recognition are tools to help hold employees accountable if serious issues have been detected.

If employees are working remotely due to the COVID-19 pandemic, employers should continue to be adaptable and consider offering flexible work hours so remote employees don't feel the need to commit time theft if they have other commitments—such as caregiving or virtual learning—during

traditional work hours. A productive workplace is all about employees and managers having open and honest conversations about the workday, since it may differ among employees, situations or days.

For More Information

Time theft is a nearly silent form of fraud that can happen to any organization. It's important for employers to be aware of how it happens and take the necessary steps to prevent it, especially with remote workers. A combination of clear guidelines, tools and employee support can help companies lower their risk of time theft. Trust employees to do the right thing and keep them engaged to reduce the company's overall risk.

Contact Hausmann-Johnson Insurance & The Benefit Services Group, Inc. for additional resources to support and manage a remote workforce.