6 Ways to Stop Time Theft



How much money is time theft costing your company?

With labour in short supply, HR directors face the challenge of getting maximum productivity out of the employees they have. Perhaps the greatest obstacle standing in the way of that challenge is time theft. Consider these sobering numbers:

- **$400 billion:** How much time theft costs U.S. employers in productivity losses each year;
- **43:** Percentage of hourly workers who admit to exaggerating the hours they work during shifts; and
- **74:** Percentage of employers that suffer payroll losses as a result of buddy punching where one employee punches in for another.

The first step in combatting time theft is recognizing what it looks like. Here are 6 common forms of time theft to be on the lookout for and what you can do to stop each one. You should also implement a written policy on time theft.

1. Timecard Theft

Problem: Timecard theft occurs when employees deliberately adjust their time sheets to increase the number of hours worked. The 2 basic patterns:

- Rounding up hand-written timesheets, for example, where an employee who works from 9:10 to 4:52 lists 9:00 to 5:00 on the timesheet to ensure a full day's pay; and
- Finishing early and standing around waiting for the clock to tick down to the official shift-ending time.

Solution: You can use to technology to stop timecard theft, with options ranging from software that forces employees to punch in manually to more sophisticated solutions like keycards that gather time and location data on individual employees, GPS trackers for employees who travel frequently and biometrics. The problem is ensuring your use stays within privacy law boundaries.

2. Buddy Punching

Problem: A common and especially expensive form of time theft, buddy punching is where one employee agrees to clock in for another. **Example:** An employee running late calls a co-worker and asks her to punch his timecard or sign the timesheet in his

name. Even if you use swipe cards or employee codes, employees may end up sharing them.

Solution: Time keeping systems that uses biometric technology like fingerprint or retina scans to validate a user's identity can put a stop to buddy punching; but it can also spark grievances and legal challenges because the technology is so privacy-invasive.

3. Unauthorized Breaks & Break Extensions

Problem: Taking unscheduled breaks is a common form of time theft, as is taking scheduled breaks early and/or ending them late. While stealing a minute or 2 here or there is to be expected, unauthorized break extension tends to become habitual and can become a source of major productivity loss.

Solution: First, be sure you're giving your employees ample break time. In addition to laying the groundwork for time theft, not letting employees take adequate breaks could expose you to liability under the employment standards laws of your province. Having said that, you should also establish clear break times and consistently take disciplinary action against those who don't comply.

4. Unauthorized Disappearances

Problem: Employees may try to slip out after they punch in for work, especially in large, busy workplaces where absences are likely to go unnoticed. The risk is especially great with telecommuters and other employees who work offsite or drive company vehicles. Employees don't have to actually leave. There may be plenty of places at the site where they can play hide-and-seek with their bosses. The resulting productivity losses may be massive by the time you discover these abuses.

Solution: Digital surveillance technology like GPS and tracking software enable you to keep tabs on your employees at all times. But as with biometric systems, their use raises significant legal questions. For example, Ontario recently adopted legislation (Bill 88), which requires employers who use such technology to create a written policy telling employees about the use, its purposes and what it does with the data generated.

5. Sleeping on the Job

Problem: Like their U.S. counterparts, Canadians tend to be overworked and stressed out, especially since the pandemic. In a 2021 KPMG survey of Canadian workers, 49% reported that their workload has increased significantly since the pandemic and 31% said they were overworked to the point of burnout. But while it might be understandable, the risk of falling asleep on the job creates enormous challenges of not only productivity but also workplace safety.

Solution: Although sleeping on the job results in time theft, you should be prepared to address it as a symptom of the larger challenge of helping employees preserve their mental health and manage their workload.

6. Goofing Off

Problem: The risk of employees goofing off and engaging in unproductive activity has existed as long as the workplace itself. But while the problem may not be new, it's become magnified thanks to the internet, smartphones and other digital distractions enabling employees to do everything from shop online to establish their own personal

corporations during work hours.

Solution: It’s essential to implement clear, written policies on acceptable uses of the internet, company computers and BYOD mobile devices that employees bring to work. Those who engage in social networking and other impermissible uses during work time should be subject to discipline in accordance with the procedures of your progressive discipline policy.