

# Technical Mitigation of Unconscious Time Theft among Hourly Employees: A Comprehensive Approach

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**Abstract:** *Time theft, especially among hourly employees, has a profound impact on corporate productivity and employee morale. This paper delves into the various factors that contribute to this unintentional behavior and proposes technological solutions. It highlights the psychological aspects that drive time theft and emphasizes the need for a comprehensive approach to address this issue. By exploring the underlying causes and implementing a multifaceted strategy to mitigate time theft, companies can effectively enhance productivity and boost employee morale.*

**Keywords:** Time theft, employee productivity, workforce management, technical solutions, unconscious behavior, organizational efficiency, attendance systems, accountability culture, time management training, automated monitoring, labor scheduling, operational costs, employee morale, behavioral correction, workplace policies.

## 1. Introduction

In the dynamic and competitive landscape of modern industries, organizational efficiency, productivity, and employee morale are paramount to success. One subtle yet pervasive issue that undermines these pillars is time theft, especially prevalent among hourly employees. This phenomenon, often overlooked or underestimated, represents a significant leak in a company's resources, affecting not just the balance sheets but also the work environment and team dynamics.

Time theft occurs when employees, either intentionally or inadvertently, use paid work time for non-work-related activities. These transgressions range from seemingly innocuous behaviors—such as consistently arriving a few minutes late, extending lunch periods beyond the allotted timeframe, or departing early—to more conspicuous actions like taking unapproved time off or handling personal affairs during work hours. While these instances might appear trivial when viewed in isolation, their cumulative effect can be profound. A mere 15 minutes lost per day—perhaps due to tardiness, extended breaks, or early departures—translates to over 60 hours of lost productivity per year, per employee. When extrapolated across an entire workforce, the scale of lost potential becomes staggering.

Furthermore, the advent of flexible scheduling adds another layer of complexity to this issue. Employees, particularly those on flexible schedules, may drop assigned hours without sufficient notice, leading to labor coverage gaps that strain resources and burden other team members. This behavior, often not perceived as fraudulent by the employees themselves, can erode the foundational trust necessary for flexible scheduling to succeed.

The drivers of time theft are multifaceted, encompassing individual shortcomings, such as poor time management skills and a lack of awareness, and systemic issues, like inadequate attendance monitoring systems and workplace

policies. The digital age, with its plethora of distractions, exacerbates this challenge. Social media, online shopping, and other digital platforms can divert employees' attention, leading to fragmented work periods and diminished productivity.

The consequences of time theft extend beyond direct economic losses, estimated to be in the billions annually. It also places an intangible strain on the workplace. Managers diverted to address time theft are detracted from strategic initiatives, while employees who adhere to rules may grow resentful of their non-compliant colleagues, fostering a toxic environment that can perpetuate the very problem it stems from.

Addressing time theft, therefore, isn't just a matter of tightening controls or enhancing surveillance. It requires a nuanced understanding of the factors at play, an empathy towards the human elements involved, and a strategic implementation of technology as a facilitator for compliance and engagement, not as a tool for enforcement. This paper delves into these intricacies, seeking to unravel the psychological and procedural undercurrents that feed into time theft, and proposes a symbiotic approach where technology and human insight converge to create a solution that is both effective and respectful of individual autonomy. By illuminating the paths leading to time theft and providing a roadmap for its mitigation, we aim to equip organizations with the knowledge and tools they need to safeguard their most valuable asset: time.

## 2. Background

### 2.1 Definition of Time Theft

Time theft, in the context of employment, refers to the unauthorized and intentional use of an organization's time and resources by employees for personal activities. This can result in decreased organizational productivity or unapproved absences. It is important to note that not all instances of time

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theft are deliberate. Some employees may engage in these activities unknowingly, without realizing that their actions qualify as time theft.

Research demonstrates that time theft is not just a theoretical concept. A recent survey revealed that 43 percent of employees engage in time theft by falsifying their time cards, 45 percent record inaccurate times, 23 percent engage in "buddy punching," and others use work time for personal activities or take frequent breaks. Additionally, time theft statistics indicate that one-quarter of employees inaccurately report the amount of time they have worked between 76 percent and 100 percent of the time.

Another study done by Forbes found that that 16% of US workers admitted to participating in buddy punching and time clock fraud.

## 2.2 Implications of Time Theft

- 1) Extending lunch breaks, taking unapproved time off, leaving work early, or arriving late without proper approval from supervisors can all result in a loss of productivity. Even missing just 5 minutes of each designated punch opportunity can add up to a total of 15 minutes per day in lost productivity. For instance, being 5 minutes late, returning 5 minutes late from a break, or leaving 5 minutes early could cost an employer 15 minutes of unproductive time per day. If an employee consistently loses 15 minutes per day and the employer pays \$16 per hour, it would amount to 1 hour and 15 minutes per week. This would result in the employer paying \$20 per week and \$1,000 per year for hours not worked.
- 2) Flexible schedule employees dropping their scheduled work hours at the last minute without prior notice to their supervisors, which can create gaps in labor scheduling and lead to another employee doing overtime.

## 2.3 Understanding Time Theft

### 2.3.1 Psychological and Social Factors

Inadequate time management skills, social media distractions, lack of effective, transparent, and automated attendance monitoring systems, and employee unawareness of its impact on overall labor management and productivity are the primary reasons for time theft in the workplace. Poor time management skills can cause employees to fall behind on their tasks, prompting them to engage in time theft as a way to catch up or meet deadlines.

### 2.3.2 Economic and Cultural Implications

In the 1990s, the US Department of Commerce estimated that time theft cost American companies more than \$177 billion every year. With the growth of social media and online shopping, this number may be even higher now. Time theft not only has economic costs, but also negative implications for individuals in the workplace. For instance, supervisors must spend time disciplining employees who engage in time theft, as well as rescheduling other employees to cover for temporarily absent employees.

The presence of time theft among some employees can create a toxic work environment. Diligent employees may feel demoralized by their colleagues' lack of commitment, which can lead to decreased morale and encourage them to engage in time theft as well.

## 2.4 Technical Solutions for Time Theft

### 2.4.1 Cultivating Accountability

Before implementing automated solutions to solve problems, employers should cultivate a culture of accountability. This includes establishing clear expectations regarding punctuality, work hours, and time management. Employers should encourage open communication and collaboration, where employees feel comfortable reporting time theft or addressing concerns about unfairness.

### 2.4.2 Time Management Training

Additionally, employers should provide training and resources for time management. They should offer training programs or workshops to enhance employees' time management skills. Employers should provide employees with tools and techniques to prioritize tasks, set realistic deadlines, and manage their workload effectively.

## 2.5 Implementing Advanced Time Tracking algorithms

Utilizing modern time tracking systems that accurately record employee work hours is an essential part of controlling employee time off. However, it's important to note that employers can provide unpaid time off as an accrual to employees, which can be an effective way of managing their time off. By offering Self-Managed Time Off (SMTTO) beyond their personal time off, vacation, and sick leave, employers can empower their employees to take time off without worrying about Time theft.

This Unpaid Self-Managed Time Off is a separate time-off bucket that can be offered to employees with an initial X amount of front-loading hours, and additional hours can be earned based on the time worked in a day. This bucket can be utilized by employees whenever they miss a shift, providing them with a safety net for unexpected absences.

Moreover, employers can also offer a specific amount of Unpaid Self-Managed Time Off (USMTO) upon an employee's hire, and also additional time based on the hours worked. For instance, employers can offer 10 hours of Self-Managed Time Off (SMTTO) upon an employee's hire, and then 1 hour of time for every 40 hours worked. This policy can be customized based on the employee's standard working hours and the employer's policy.

To ensure compliance with this policy, an automated attendance service can be implemented to detect Unpaid Self-Managed Time Off (USMTO) automatically when an employee misses a shift. The service examines the total scheduled hours and total worked hours and projects the total missed hours during the shift. Based on the number of missed hours, it detects USMTO from the USMTO bucket.

The unpaid time off automated service also sends a notification to employees through email when they approach

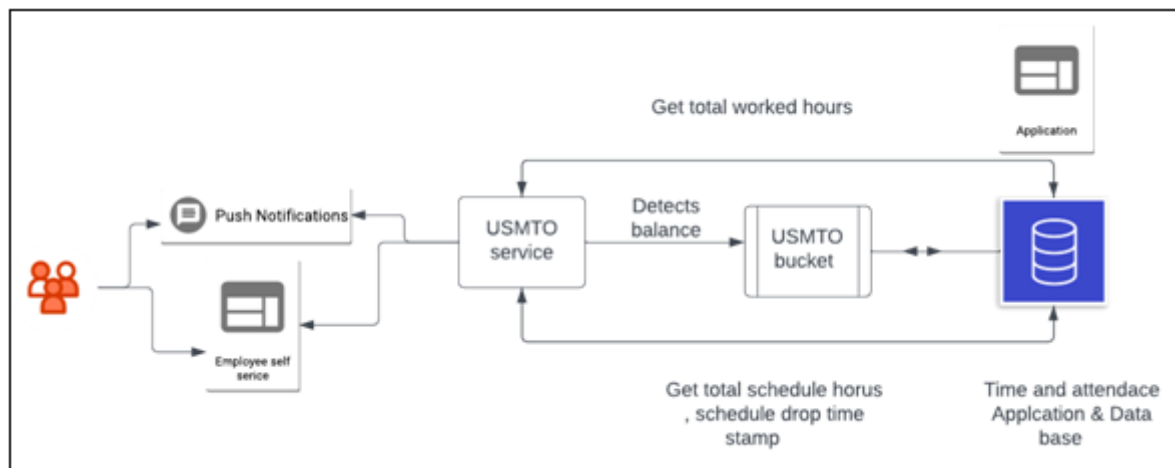
0 hours of USMTO, and also to managers. This helps to ensure that both employees and managers are aware of the available USMTO and can plan accordingly. Moreover, if an employee violates the policy, the manager can issue a verbal warning, and the unpaid time off automated service sends a notification. The action against these policy violations can vary based on the employer policy and local laws.

In addition, the automated system can also detect USMTO when an employee drops a shift in the system without prior notice. For example, an employer can set the expected notice period to 20 hours before the shift start time. If an employee drops the shift 15 hours before the start time, the system will

detect 8 hours of unpaid time.

To promote transparency between the employer's policy and the employees, the amount and reason for the detection should be transparently displayed to the employee through the employee self-service system.

Overall, this service promotes accountability among employees, reduces time theft, and increases productivity. By giving employees access to unpaid time off, employers can create a more flexible work environment and foster a more positive relationship with their employees.



Addressing the issue of time theft requires a multi-faceted approach that combines understanding the psychological factors behind it and implementing effective solutions. By fostering a culture of accountability, providing necessary resources for time management, and utilizing unpaid time off tracking systems, employers can mitigate the negative consequences of time theft and create a more productive and engaged workforce.

### 3. Analysis of Proposed Solutions

#### 3.1 Potential Challenges and Mitigation Strategies

Implementing these solutions is not without challenges. Technical systems must be user-friendly to ensure employee compliance. Furthermore, employers should be vigilant concerning the misuse of unpaid time off, particularly during high-demand seasons.

Employees are able to earn unpaid time off, which can be used during the company's peak season. This is particularly important for retail employees who are usually very busy during Q3 and the beginning of Q1 due to holiday sessions. However, it is important to consider the potential negative impacts of employees utilizing this time off during the peak season. For example, it may reduce the company's productivity and lead to additional stress on other employees who must pick up the slack. To mitigate these risks, supervisors must find a suitable replacement for the employee's work during this time. This can be a challenging task, but it is essential to ensure that the company is able to maintain its productivity levels and meet its business objectives. Additionally, it may be worthwhile for supervisors to consider offering incentives or rewards to

employees who are willing to work during the peak season in order to encourage them to stay on and help support the company's success.

Employees may not understand how they can utilize Unpaid time off when punch-ins and punch-outs again if the employer has already implemented grace periods for them. One way to clarify this issue is to create a detailed guide that explains the process step by step. The guide could include information on how to apply unpaid time off if employee late punch-in and early punch-out records, how to make corrections to those records if necessary, and how to request changes to the grace period policy.

Additionally, employers could offer training sessions or workshops to help employees better understand the system and how to use it effectively. This would not only benefit employees but also the employer, as a more knowledgeable workforce can lead to improved productivity and job satisfaction.

Employees may not have a clear understanding of when to use unpaid time off, paid time off, or vacation time off. Communication between management and employees can help clarify these policies and alleviate any confusion. Management could also provide training sessions to educate employees on the differences between the types of time off and when to use them. Additionally, providing a comprehensive employee handbook that clearly outlines the company's policies on time off can be beneficial in ensuring that all employees are aware of their options and know how to use them appropriately. When there is a clear understanding of when to use each type of time off,

employees can feel more informed and empowered to take the time off they need to rest and recharge. This, in turn, can lead to a happier and more productive workforce.

#### 4. Conclusion

Time theft, a subtle yet pervasive drain on organizational resources, presents not only an operational challenge but also a moral conundrum for modern enterprises. This paper has illuminated the various facets of time theft, from its psychological underpinnings to its economic repercussions, and proposed a comprehensive strategy for its mitigation that respects both organizational imperatives and employee autonomy.

Our analysis underscores that time theft, often perpetrated unconsciously, is not solely the product of individual misdemeanors but can also stem from systemic inefficiencies and a lack of adequate resources or training for employees. The traditional punitive approach to time theft, while necessary in certain cases, is insufficient to uproot its causes. Instead, a more holistic strategy is required, one that encompasses the establishment of a strong accountability culture, investment in time management training, and the integration of advanced time-tracking systems.

The introduction of USMTO is a revolutionary concept that aligns with the values of autonomy and flexibility increasingly sought in contemporary work environments. This system not only helps regulate employee attendance but also empowers employees to manage their time off more responsibly, thereby fostering a sense of ownership and accountability for their work schedules. However, the success of this system hinges on transparent communication between employers and employees, user-friendly technical solutions, and clear guidelines on the utilization of different types of time off. Education and continuous support are crucial in this regard, ensuring that all staff members understand and adhere to the policies set forth.

Moreover, addressing potential challenges such as the misuse of USMTO during peak seasons and ensuring all employees are well-versed in the system's operation are essential. Proactive management and clear, open channels of communication will be key in navigating these challenges. Employers should also consider incentivizing adherence to time regulations, particularly during high-demand periods, to maintain operational efficiency and employee morale.

In conclusion, curbing time theft is not merely about surveillance and enforcement but involves building an organizational culture anchored in mutual respect, integrity, and shared responsibility. It's about creating an environment where employees are motivated to give their best, not because they are watched, but because they understand the value of their time and contributions to the organization's collective success. This paper posits that a multifaceted approach, which balances psychological understanding with technical solutions, will be the most effective in combating time theft, ultimately leading to a more engaged, productive, and satisfied workforce.

As industries continue to evolve in the face of technological

advancements and changing work patterns, strategies to mitigate time theft must also be adaptable, always considering the human element at the core of every organizational challenge and solution.

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