

## **Is Time Theft Robbing You Blind?**

Time theft costs businesses hundreds of thousands of dollars each year. This results from employees who “steal” from their employers by willfully wasting time for which they are paid. In the U.S. A leading authority on employment issues conducted numerous surveys relative to time theft and concluded that the average employee “steals” approximately 54 minutes per day, or 4.5 hours per week, from his/her employer. We believe that the average for the Caribbean countries is about the same. This totals nearly six full workweeks per year! You could be losing more than 10% of your payroll through the following forms of time theft:

- **Late arrival or early departure**
- **Requesting paid sick days for inappropriate reasons**
- **Excessive socializing and personal telephone calls**
- **Using Company time & facilities to operate another business**
- **Handling personal business at work**
- **Slowing down the work pace to create overtime**
- **Taking long lunch hours and breaks**

Time theft is not confined to any one type of person or industry. It applies to “white collar” and “blue collar” employees in every type of business, institution, profession and governmental agency. It occurs in every organization with a payroll. The majority of executives surveyed state that permanent employees steal more time than temporary employees. Also, the greater the employee’s seniority, the greater the chance they will steal time from their employer. Office personnel steal more time than manufacturing employees, and employees under thirty years old tend to steal more time than older employees.

What does this mean to you? You are being robbed of hundreds, maybe thousands of dollars per year. While much of this lost time is very difficult to control, eliminating time theft due to late arrivals and early departures can add profits to your bottom line. The following chart shows what arriving at work 5 minutes late and leaving work 5 minutes early for the workday and at lunch time can cost your business. This conservative estimate is based on 250 working days a year at a rate of 20 minutes each day.

Hourly Rate	Cost per Minute	Number of Employees					
		2	5	10	25	50	100
\$ 7.00	\$0.1167	1,166.67	2,916.67	5,833.33	14,583.33	29,166.67	58,333.33
\$ 8.00	\$0.1333	1,333.33	3,333.33	6,666.67	16,666.67	33,333.33	66,666.67
\$ 9.00	\$0.1500	1,500.00	3,750.00	7,500.00	18,750.00	37,500.00	75,000.00
\$ 10.00	\$0.1667	1,666.67	4,166.67	8,333.33	20,833.33	41,666.67	83,333.33
\$ 12.00	\$0.2000	2,000.00	5,000.00	10,000.00	25,000.00	50,000.00	100,000.00
\$ 15.00	\$0.2500	2,500.00	6,250.00	12,500.00	31,250.00	62,500.00	125,000.00

Keep in mind that the above numbers only cover standard wages. The overhead and overtime that each employee costs the company could easily increase the above figures by 50-100 percent. Employing time and attendance systems can greatly reduce your losses due to time theft by eliminating the practice of coming to work late, leaving early, and taking a few extra minutes at lunch. Many products are capable of ringing a bell or horn to signal the beginning and the end of breaks which will reduce employees extending their breaks by several minutes. Some companies use time and attendance products simply as a “behavior modification” device to constantly enforce the notion of best practices as it pertains to work day requirements.

Loyal employees are proud of their attendance records. Many time recording products have been sold to satisfy loyal employees who complain about other workers coming in late and leaving early. If time theft is allowed to continue, it is very likely that your loyal employees will begin abusing your time, rather than using their own time. This is simply human nature, “If he can do it and get away with it, then so can I.” In this respect, a time and attendance product can make employee reviews much more positive.

Time theft unabated can be construed as a benefit. If you do not keep accurate time records and you or your payroll manager knowingly allows employees to have a minute or two here and there, then it may be hard to explain when you try to reprimand or dismiss someone for being consistently late. When you use time recorders in your business, you can be sure that you are receiving accurate and indisputable time records where favoritism is not a factor.

In addition to reducing time theft, we have heard customers state that time recorders when used by their employees, have provided them with one or more of the following benefits:

- **Increased Production**
- **Eliminated Disputes Regarding Pay**
- **Provided Record of Opening and Closing Times at Branch Stores**
- **Accelerated Payroll Preparation**
- **Freed supervisors or managers as Timekeepers**
- **Eliminated Favoritism on Part of Timekeepers**
- **Provided Legible Records of Hours Worked**
- **Improved Relations with Employees**
- **Enforced the Work Schedule**
- **Established Respect for Time**
- **Made Flexible Time Schedules Work**
- **Enabled the Correct Calculation of Product or Service Costs**

As the value of the minute increases, so does the need for more accurate attendance and job cost records. When your cost for labor increases, a time recorder can help to assure you that you get what you have paid for. Check the chart on the previous page again to see how much it will cost you not to use time clocks in your business. You will see that you are paying a big price by not having your employees use attendance time recorders. The price is the continued huge loss of profit dollars to time theft. Stop time theft before your employees consider the time they steal from you as simply another fringe benefit. Regretfully, the profits you lose to time theft will probably cost more than all of your other fringe benefits put together and not one single employee will ever thank you for it.

If you don't use a time and attendance system, it is time to seriously consider one.

**The sooner you act, the sooner you will TURN TIME THEFT INTO PROFIT DOLLARS!**