



Peace of Mind

A Guide to Improvement-Inspired
Employee Monitoring





What's in this guide

- What does ethical and empowering employee monitoring look like?
- Evolving from traditional to improvement-focused monitoring
- Why it's important to get it right from the start
- How to evolve your organization's employee monitoring approach
- Building trust through productivity analytics

Over the years and centuries, the balance between employee agency and company performance has been a hot topic for debate.

Since at least the first industrial revolution in the 18th century but likely earlier, management styles have been largely based on hierarchical, top-down structures. that helped companies meet output targets. Unfortunately, employee well-being tended to take a back seat.

Now things are changing. In the midst of the fourth industrial revolution, forward-looking managers are ushering in a culture of transparency and autonomy. Trust is good for business. Employees who feel they have autonomy are more productive, loyal, and satisfied at work.

Put the two together, and we start to see that getting the best out of people is the key to boosting productivity and gaining a competitive edge.



Management is evolving in two crucial ways

The culture around productivity is changing, as are the methods used to inspire it. We're moving away from a philosophy of top-down compliance and towards an ecosystem of continuous improvement.

This paradigm shift isn't evident for everyone yet. In part, that's because many managers are still working to shake off old models of mistrust.

It's not only the methods that need to change but also the mindset. Making these fundamental changes is not a matter of leaping forward without looking back. We need to move deliberately and steadily, bringing everyone along on the journey.



Employee-friendly monitoring is helping to hustle the old guard out the door

Technology has made it easier to measure employee performance so managers can monitor their progress. An estimated 80% of companies are using employee monitoring software today, up from 30% pre-pandemic.

Such rapid and widespread change has highlighted the potential of employee monitoring to facilitate a major philosophical shift. Productivity analytics is fundamental to improvement-focused management. By making workday data more accessible, useful and transparent, the better productivity analytics tools become a tool for continuous improvement.

Transitioning to ethical and empowering employee monitoring



The unfortunate legacy of employee monitoring has less to do with employee monitoring *per se* and more to do with management philosophies rooted in compliance and hierarchy.

Early employee monitoring methods evolved from top-down, compliance-first management styles. As a result, the approaches relied on methods that weren't exactly employee-friendly:

- ✓ **Monitoring activity without telling workers**
- ✓ **Recording and monitoring intracompany communication**
- ✓ **Assessing performance on task-based metrics**
- ✓ **Docking pay based on blanket rules about productive time**
- ✓ **Penalizing or even terminating employees based on rigid metrics**

Collaboration isn't built in. Employees aren't given agency. Well-being takes a backseat to hours worked. The lack of empathy and ethics in many employee monitoring software systems is a symptom of a philosophy that is thankfully on the way out.

In contrast, monitoring tools that extend from an ethical, improvement-focused management approach are a powerful force for good. They instill a sense of agency and help employees master their own productivity.

Transparency and trust are good for business

A 2021 study looked at the effectiveness of employee monitoring as a deterrent to “devious” behavior. The researchers found that, in a culture of mistrust, “monitored employees may actually engage in higher levels of deviance”, for example, by working slowly or taking unscheduled breaks. When positioned as a deterrent, monitoring undermines employees’ feeling of agency.

Managers who focus on improvement rather than punishment will hardly find these results surprising. Compliance is about the best you can hope for when workers feel scrutinized instead of supported. Innovation is off the table. Motivation to excel vanishes. The problem isn't the *fact* of employee monitoring but the *purpose*. By focusing on deviant behavior, companies are signaling their mistrust. By secretly spying, they're confirming that signal. Employees, being human, respond as humans would. If you've read *1984*, you already know how the story ends.

Employees aren't against the idea of monitoring. They just want to be informed.



of US employees would be fine with employee monitoring if the company was transparent and let them know upfront

[Source](#)



agreed that monitoring devices for security reasons is perfectly fine – again, provided the employer is transparent

[Source](#)



would be comfortable with monitoring on work-issued devices if the data was anonymized, and 36% feel the same about personal devices

[Source](#)



of workers were comfortable with monitoring when the employer explained the reasons for it

[Source](#)

Amid the Great Resignation, when 59% of employees are quiet quitting and 18% are actively disengaged, companies can't afford to ostracize their best-performing people. They must engage and empower employees using every tool at their disposal.

Employee monitoring is one such tool with the potential to be a powerful force for good. Provided, that is, it's in the right hands and embedded in a broader context of organizational improvement.

Employee monitoring is overdue for a shake-up

Although we're eager to move past the COVID-19 pandemic, it's impossible to separate the events of the last few years from the rapid rise in employee monitoring software adoption. As companies worldwide suddenly and unexpectedly found themselves working remotely, employee monitoring software became a way to manage the transition.

Companies wanted to ensure their people were working when they were supposed to be working. Unfortunately, the whiplash-inducing speed of the transition led many organizations to implement rigid employee monitoring systems that modeled traditional approaches.

Thankfully, we're now seeing leaders in employee engagement start to evolve their approaches. Compliance is giving way to continuous improvement as managers seek more ethical and effective ways to track employee performance.

Improvement-focused monitoring is designed to be collaborative and constructive, providing the support employees need to succeed, instead of creating a culture of control.

Managers can use data to work with employees towards improving organizational performance instead of upholding an outdated mindset of catching out devious behavior.

The differences between traditional and improvement-focused employee monitoring start at the fundamentals and carry through to the function and features.



Fundamental purpose

Traditional monitoring

is used to control and supervise employees in organizations that view workers as expendable resources.

Improvement-focused monitoring

is used to identify areas for improvement and provide support for employees to do their best work.



Functional differences

Traditional monitoring

is often intrusive and secretive, characterized by stringent oversight, rigid performance metrics, and close monitoring of employees' activities without regard for personal context.

Improvement-focused monitoring

is transparent and collaborative, positioning employees as partners in their own development and using data to link individual contributions to organizational success.



Features and impact

Traditional monitoring

prioritizes compliance above excellence, leading to decreased productivity and creativity.

Improvement-focused monitoring

accounts for individual contexts, involving employees in the data gathering and reporting processes, giving them greater ownership and encouraging personal development.

The benefits of strategic improvement-focused monitoring

Improvement-focused monitoring is a more ethical approach to productivity. Although it fundamentally addresses the same problems of visibility and continuous improvement, the empathetic approach means everybody wins.



Identify resourcing issues

Rather than focusing on cost-cutting initiatives, improvement-focused monitoring highlights opportunities to redistribute resources more effectively. Pain points like bottlenecks and time-consuming tasks become problems impacting product quality, client satisfaction and employee overwork. Solutions are designed with these outcomes in mind.



Reward based on merit

When the New York Times looked into the rise of employee monitoring, one conclusion they drew was that data is meritocratic. For example, several women interviewed for the piece wanted to work in an environment where “rewards are not based on who is schmoozing with who or who is going out drinking with who, but instead on who is really being industrious”. They felt monitoring leveled the playing field.



Proactively manage productivity problems

Time Doctor users Comparakeet provide a stellar example of improvement-focused monitoring in action. When the founders noticed one employee was editing timesheets, they delved into the data to understand what was happening. The founders then worked with the employee to correct course, using productivity data to implement and measure a collaborative solution.



Transform operations

Employee monitoring has undoubtedly become more prolific with the rise of distributed work. Workday analytics is a huge boon for remote managers, at least functionally. What’s still evolving is the philosophy. This is where improvement-focused monitoring, as opposed to monitoring for the sake of monitoring, becomes an all-important enabler in the transition.

The cost of a compliance mindset

Unfortunately, Traditional employee monitoring has fallen short of its aims to enhance productivity and efficiency. The rigid systems reduce employees to productive minutes, leading to decreased job satisfaction, increased stress, and a lack of trust between employees and employers. The psychological toll of constant scrutiny kills creativity and erodes overall well-being.

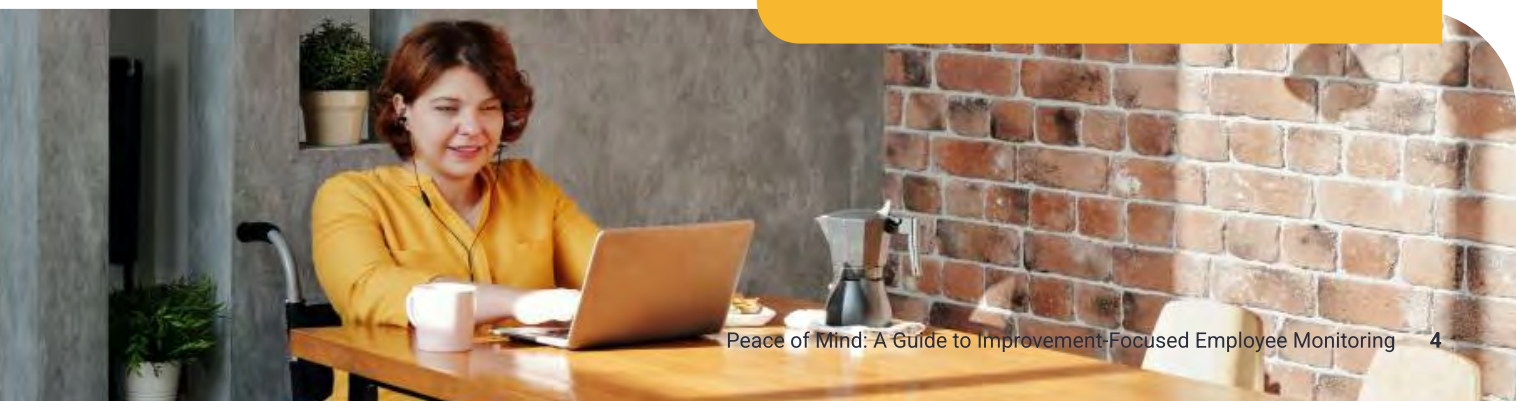
We know engaged employees are up to 23% more profitable and 18% more productive. Employee monitoring software certainly contributes; one MIT study found that revenue increased by 7% when workers knew they were being monitored.

But more than anything else, transparency and trust are the hallmarks of modern employee monitoring. Let’s look at how this works in practice.

Workers who have low control over their jobs report **higher rates of depression and anxiety, plus headaches, sleep problems, and other physical ailments.**

Over 70% of Americans

would turn down a job if they learned the employer spied on staff.



Practical steps to make the switch from surveillance to collaboration



Identify the core concerns

In a survey of 20,000 people across 11 countries, Microsoft found that 85% of managers found it challenging to trust that remote and hybrid employees are productive. Part of the problem was that 54% of in-person managers reported having visibility into the work their employees were doing, while only 38% of hybrid managers said the same.

Employee monitoring software is an effective lens to gain visibility into performance.

However, managers still need to work on evolving the organizational mindset to see the full benefit. At the heart of improvement-focused monitoring is a shared organizational goal of continuous improvement.

What will managers and employees do with that data? How will it help to grow the organization? What are the current blind spots in existing business systems? Answering these questions helps to educate leadership and employees about the benefits of improvement-focused monitoring and align the team behind shared goals.

Assess your monitoring needs

Every organization is unique. The transition to improvement-focused monitoring and the tools used to implement the change should fit your specific needs.

Sarv

For example, managers at [AI unified communication platform Sarv](#) faced twin challenges in maintaining remote team accountability and preventing burnout from affecting their people.

By implementing Time Doctor, Sarv gained access to detailed workday data, including work-life balance metrics, enabling managers and employees to analyze performance on both fronts so team members weren't prioritizing work over health.

Purity Products

On the other hand, [NY-based Purity Products](#) wanted to validate their employees' timesheets and provide training for employees who need help navigating the company's systems.

Purity Products gains the greatest value from Time Doctor's timesheet features and regular screenshots, both of which enable managers and employees to proactively address employee concerns.

Employee monitoring software like Time Doctor provides crystal-clear access to a huge volume of workday data. Defining the areas that matter most to your organization's success will help tailor your monitoring approach.

Now we're ready to implement employee monitoring software

1 Assess current practices

Conduct an internal audit of current monitoring methods. Identify surveillance-heavy processes and their impact on employee morale and productivity.

2 Set clear goals

Define specific goals for improvement. Focus on objectives that empower employees and foster collaboration, such as skill development, problem-solving, and innovation.

3 Choose the right tools

Select monitoring tools that align with your new approach. Look for systems that allow for employee self-assessment, feedback and active participation.

4 Communicate often and honestly

Maintain open and transparent communication. Explain the reasons for the shift and how it benefits both employees and the organization, and be ready for questions.

5 Legal and regulatory compliance*

Ensure the new monitoring approach complies with relevant laws and regulations, especially data protection and employees' rights to privacy or information.

6 Pilot program

Start with a small-scale pilot program involving a select group of employees. Gather feedback and fine-tune the approach based on their experiences.

7 Adapt and scale

Tweak the monitoring approach as it's rolled out across the business to ensure it doesn't become rigid or irrelevant.

8 Provide resources

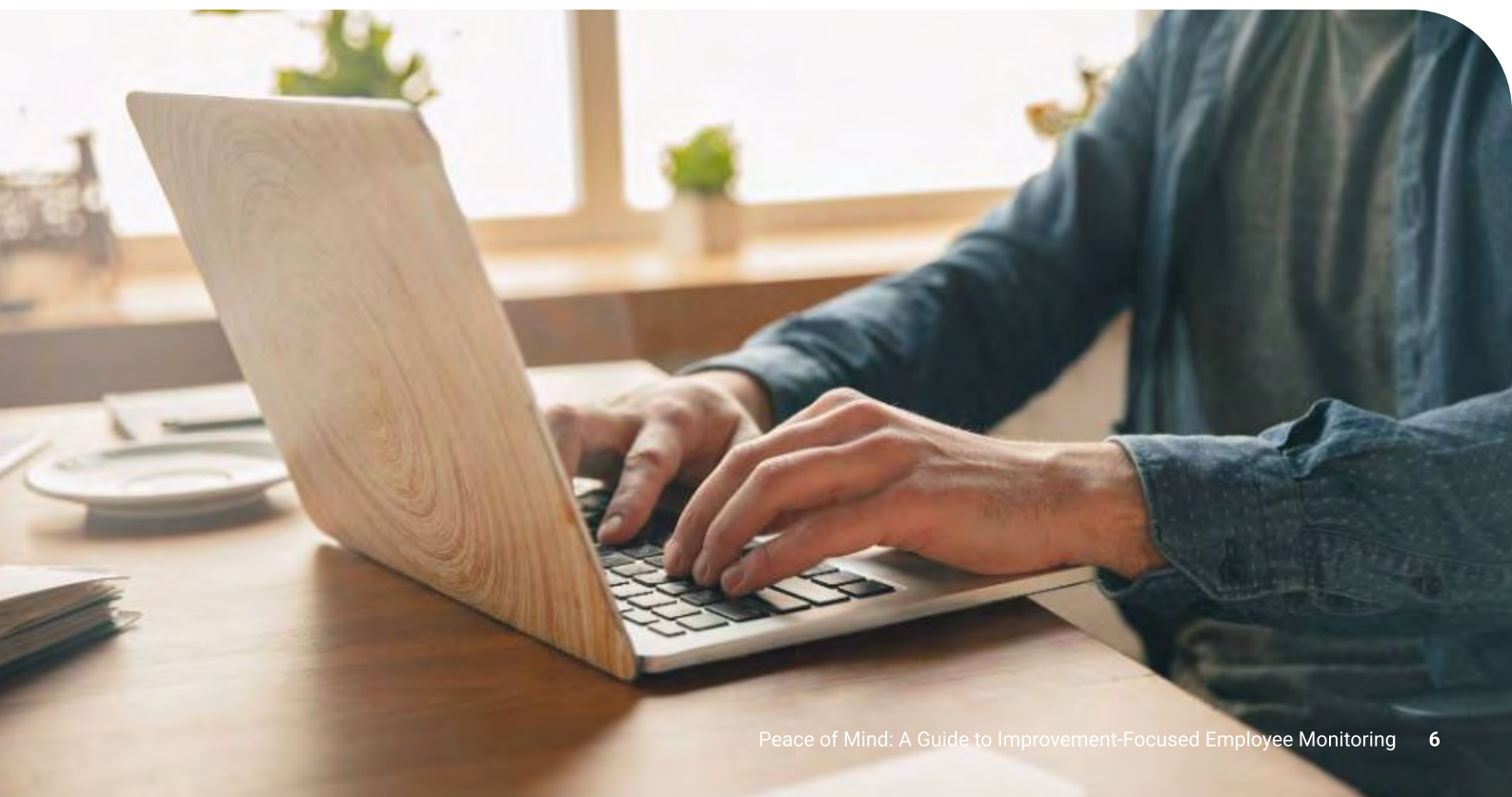
Ensure employees have access to the necessary training, tools and support to thrive in the new monitoring environment.

9 Monitoring guidelines

Develop clear guidelines and expectations for employees regarding self-assessment, goal-setting, and collaboration. Encourage regular check-ins and progress reviews.

10 Continuous improvement

Continuously assess and refine the new monitoring process. Solicit employee feedback and make adjustments to address any challenges or issues.





Sustaining improvement and trust

The switch from surveillance to collaboration can be tricky to maintain, especially when people are busy managing daily tasks. It's easy to focus on productivity metrics in isolation and forget there's a broader context for improvement-focused monitoring.



Maintain regular check-ins

Managers can use workday data as the launch pad for productive one-on-one conversations about an employee's progress, challenges and career development. These meetings are an opportunity to build trust, provide guidance and demonstrate affirmative action.



Invest in effective training

Continue investing in employee development to support their growth and enhance their ability to contribute effectively. Just as Purity Products did, you can use employee monitoring software to assess an individual's capabilities and tailor training to their needs.



Recruit collaboration champions

Organizational leaders must remain committed to the new approach. It's important that employees know their efforts aren't taken for granted. Unfortunately, less than one-third (30%) of US employees believe their inputs count at work, and 31% receive recognition for a job well done.

*Legal and privacy considerations

The legal and privacy requirements for employee monitoring vary from country to country, and there are additional steps if you're tracking international teams.

USA

The Electronic Communications Privacy Act of 1986 (ECPA) is a federal law protecting the privacy of electronic communications. The ECPA allows businesses to monitor verbal and written communication (with a legitimate business reason), and there is further scope to monitor other activity with consent. When it comes to company-owned computers, employers are allowed to monitor web activity as long as they respect relevant privacy laws.

Some US states have more restrictive laws than the ECPA, while others have less restrictive laws.

Europe

The EU doesn't have specific regulations for employee monitoring. Most companies use The General Data Protection Regulation (GDPR), an EU law that protects personal data privacy. GDPR applies to all businesses that process the personal data of individuals in the EU, regardless of where the company is located.

The GDPR requires businesses to obtain consent from individuals before collecting or processing their personal data, and companies must perform a Privacy Impact Assessment before implementing tracking software.

Australia

No specific law covers employee monitoring, so companies should refer to relevant local, State and Federal laws for guidance. Employers can usually install monitoring software on company computers, provided they notify the employee at least 14 days in advance.

UK

The Data Protection Act 2018 (DPA) allows employers to monitor employee activity with consent. The DPA sets out guidelines for employee monitoring, including clear communication in the employment contract and specifying whether personal calls and emails are monitored.



Building trust through productivity analytics

As we slide into the fourth industrial revolution and the lines between physical and digital experiences fuzz, distributed work isn't going away. Managers and employees need to trust each other, or we risk backsliding into the bad old days of panopticon monitoring.

Ethical monitoring practices create an atmosphere of trust and psychological safety among team members. Employees who feel their privacy is respected are more likely to speak up, share ideas, and collaborate effectively.

Productivity analytics – a core tenet of effective employee monitoring – can create a workplace where employees are empowered, autonomous, engaged and motivated to contribute their best efforts.

Gallup's data shows that companies with highly engaged employees enjoy these benefits and more.

▼ **43%**
less
turnover

▼ **64%**
fewer
accidents

▼ **28%**
less employee
theft

Or it can create a digital panopticon that demotivates employees and drives an immovable wedge between employees, managers and departments.

It comes down to how data is managed.

How to use productivity analytics for continuous, collaborative improvement



Democratize data

Ethical monitoring involves employees in the process. First in deciding what data will be tracked, and later by enabling employees to view and manage their own data. This sense of ownership makes employees more accountable for their own success and prevents feelings of frustration or micromanagement.



Connect productivity data to organizational goals

Instead of monitoring for its own sake, data should be deliberately selected for its relevance to organizational performance. Make that link clear. Employees should know how unscheduled breaks correlate to customer satisfaction (for example) so they can make informed decisions about how to use their time effectively.



Communicate openly and often

Ethical monitoring practices prioritize transparency and open communication. When team members know how they are monitored and how data is used, misunderstandings are reduced and collaboration becomes smoother.



Development, not discipline

Improvement-focused monitoring prioritizes employee development over punitive measures. Managers aren't immune here; only half of US employees (51%) know what's expected of them at work. Productivity data can identify development opportunities on both sides of the relationship, facilitating conversations that lead to productive actions.



Respect individuality

Before penalizing employees for so-called unproductive time, it's worth considering whether there could be a personal reason for the data variation. Some employees might work out problems on paper; others might be mentoring colleagues or holding sensitive conversations with clients when the monitoring software checks their productivity.

Traditional monitoring rarely allows for individuality. Time Doctor does, letting users view and edit their productivity data, including editing breaks and deleting screenshots. Managers see the data has changed. From there, they can make informed decisions based on an improvement-inspired approach.



Make informed decisions

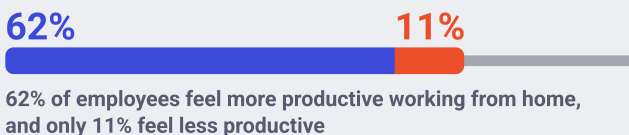
We pointed to Microsoft's survey, where 85% of managers felt remote teams weren't productive. But here's the thing: 87% of workers thought they were more effective at home, and the data took the worker's side. Ethical monitoring means using data to overcome ingrained stigmas and collaborate more effectively in an environment of trust.

Employees understand that flexibility comes at a cost

Trust remains one of the biggest barriers to remote working. Only around 1 in 3 managers believe people can be productive when not in an environment that enables constant supervision.

If we've learned anything from the last few years, it's that this assumption has little to no basis.

▲ **9%** People say their productivity increased 9% at home (up from 5% during the pandemic)



Our own analysis of Time Doctor users backs up these studies. Several clients saw productivity after transitioning to remote work, while unproductive time (like browsing social media) nosedived.

However, it seems that more managers are willing to take a leap of faith – with conditions. In return for one day a week of working from home, New York City Metropolitan Transportation Authority staff recently agreed to full-time activity monitoring.

One survey of 2,300 US staff from Owl Labs and Global Workplace Analytics also found that **52% of workers would take a 5% pay cut for more flexibility, and 23% would take a 10% cut.**

Employees and organizations must work together to find a solution that suits everyone. Ethical employee monitoring is defined by collaborative resolutions, not conditions of employment.

There will always be some bad eggs who flaunt or break the rules. An improvement-focused employee monitoring approach does not entirely prevent disciplinary action but demotes it to a last resort.



Creating the conditions for improvement-focused employee monitoring



Traditional models of employee surveillance have given way to a new paradigm. Improvement-focused employee monitoring is a new approach that uses data to empower individuals to reach their full potential, rather than punish them for mistakes.

Employee monitoring can be a powerful tool for improving performance, but ethical and respectful use is paramount.

This approach is more likely to be effective in the long run as it builds trust between managers and employees, and motivates individuals to excel.

When done right, the new approach engages employees and creates the conditions for adaptability, innovation and collaboration.

Considerations for an improvement-focused employee monitoring program



Set clear expectations

What do you hope to achieve by monitoring employees? What are the specific behaviors that you are trying to measure? What communication, feedback and support can employees expect?



Use productivity analytics for good

Don't use the data to punish employees unless absolutely necessary. Use it to help them identify areas where they can improve and provide them with the support they need to succeed.



Be transparent and accountable

Be open with employees about the monitoring program and how their data will be used. Be accountable for the use of the data and make sure that it is used in a way that is ethical and respectful.



Review regularly and remain agile

As your business needs change, you may need to adjust your monitoring program. Review the program to make sure it is working for employees, managers and organizational leaders.

Change is not instant. It's a process that requires commitment, patience and adaptability. But the rewards are worth it.

Ready to elevate monitoring with ethics and empowerment?

[Book A Demo](#)

 Time Doctor