

Evidence-Based Recommendations for Employee Performance Monitoring



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What is electronic performance monitoring (EPM)?

- EPM is an organizational system that uses technology to gather, store, analyze and report employee behavior to assess performance
- The goal is to evaluate employees by using real-time data that EPM collects for the purpose of performance appraisal, training and development, logistical tracking, employee wellness and safety
- In 2007, 78% of organizations utilize some type of EPM, this number is increasing as technology evolution created more opportunities

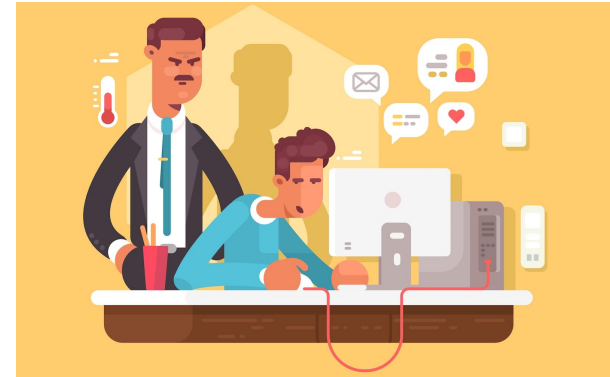
What is considered as an EPM system?

- Surveillance camera systems
- Computer and phone monitoring/blocking systems
- Phone call monitoring – “This call is monitored for quality purpose.”
- Wearable technologies: Fitbits
- Mobile GPS tracking app

- ❖ Top EPM software vendors: Oracle, SAP, and IBM - cloud technology
- ❖ EPM market is projected to reach \$3.1 billion by 2020

Examples:

- WorkIQ and DeskTime
- Grubhub, UberEats
- Ryder
- Castlight Health



Unintended Issues of Monitoring

Myrna Arias vs. Intermex, a U.S. transferring company

- What happened?
- The consequences: loss of a good employee and legal financial burden of \$500,000



Why does a company implement EPM?

To measure both positive (performance and productivity) and negative employee behaviors (counterproductive work behaviors), CWBs

Negative Behavior Monitoring:

- Counterproductive Work Behaviors (CWBs)
- Employee theft, absenteeism, and cyberloafing (spending time on the internet engaging in non-work behaviors such as online shopping or gaming)
- Management can hold employee accountable

Positive Behavior Monitoring:

- Productivity & performance
- Logistic and time-oriented metrics by mobile tracking
- Minute-to-minute data regarding safety issues
- Personal health behaviors for training/development and work-life management.

The Positive Impact of EPM



Impact

- Higher level of task satisfaction when employees are aware of EPM
- Mitigation of the evaluation apprehension effect
- For example, Zappos manager found that monitoring customer service representative with their awareness helps them engage in problem solving skills
- When employees know they are monitored and are allowed to manipulate time and amount of feedback, then their performance and productivity increases.
- Allowing employees to know when and how they are monitored acts as an intrinsic motivation

EPM is not always a good thing...



- **Privacy invasion**
 - GPS, Activity, Keystroke, Internet Usage
- **Perceptions of unfairness**
 - Severe reaction if unannounced
 - Physical change: Pregnancy/Illness.
- **Decreased commitment**
 - Lower goal
- **Increased distraction**
 - User reacts to website



Negative Impact of EPM

- Trust
 - Higher turnover rate
- Cheat: solution vs policy
 - Current IoT bug of Fitbit



EPM is not always a good thing...

Conclusion:

It is a balance of benefits and opportunity cost. Multi-factor issue.

DO YOU NEED IT?

1: Industry - the United States Mint, banks

2: Safety - One may declare innocence.



Recommended Solution



Be transparent with employees about EPM use

Be aware of all potential employee reactions to being monitored

Use EPM for learning and development rather than deterrence

Restrict EPM to only work-related behaviors

Consider organizational makeup (i.e., size, job characteristics) when implementing an EPM system

Case Summary



- From a company's perspective VS. from an employee's perspective
- When EPM is implemented incorrectly → legal issues and negative employee reactions
- If implemented correctly → productivity and employee development
- Increasing technological capabilities of monitoring system, organizations are more likely to adopt EPM, and in more innovative ways
- It is important for companies to understand the risks, limitations and costs of different methods to create a work environment where employees are comfortable, satisfied and committed
- It is also important for employees to understand the risks and benefits of accepting EPM



Q&A, Discussion

1. Chrome will not be Google if it does not track your information. Chrome browser implemented evidence-based performance monitor into their software to track you. As a consumer, would you embrace it? What you think?
2. Castlight Health is a EPM system used by Walmart for training and development by monitoring employee behavior. As an employee, would you feel comfortable? Why or why not?
3. Institute of Education wants to implement EPM. What are its implication towards the institution and the employees?